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PREM 19/1335

PART 14

SECRET

Confidential Filing

Financial Position of the Coal Industry

Mineworker's Pay

NATIONALISED
INDUSTRIES

PE 1: JUNE 1979

PE 14: OCTOBER 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
22.10.84							
24.10.84							
26.10.84							
29.10.84							
30.10.84							
31.10.84							
1.11.84							
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12.11.84							
13.11.84							
14.11.84							
15.11.84							
16.11.84							
20.11.84							
ENK							

PREM 19/1 335

PART 14 ends:-

MISC 101 (84) Bth 20/11/84

PART 15 begins:-

AT to PS/Energy 21/11/84

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
MISC 101(84) 48 th Meeting	20/11/1984
CC(84) 37 th Meeting, item 4 Limited Circulation Anx	15/11/1984
CC(84) 37 th Meeting, item 4	15/11/1984
MISC 101(84) 47 th Meeting, only item	13/11/1984
CC(84) 36 th Meeting, item 4 Limited Circulation Anx	08/11/1984
CC(84) 36 th Meeting, item 4	08/11/1984
CC(84) 35 th Meeting, item 4 Limited Circulation Anx	01/11/1984
CC(84) 35 th Meeting, item 4	01/11/1984
H(84) 20 th Meeting, only item	30/10/1984
MISC 101(84) 46 th Meeting, only item	29/10/1984
H(84) 41	25/10/1984
CC(84) 34 th Meeting, item 4	25/10/1984
CC(84) 34 th Meeting, item 4 Limited Circulation Anx	25/10/1984
MISC 101(84) 45 th Meeting, only item	23/10/1984

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 8/7/2013

PREM Records Team

Anne Munnick ②

SECRET AND PERSONAL

Copy no: ① of 19

Daily Coal Report - Tuesday 20 November 1984

Not put in Box - out of date AT.

XJ

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	14	-
(iii) Some men present	68	-
(iv) On strike/picketed out	47	-

As at 5.00 pm a further 940 striking miners had returned to work (compared to 920 last Tuesday). This brings the weekly total to 3,222 and the total since 5 November to 10,442.

In Scotland there were 142 new faces on the morning shift. 705 men reported at Bilston Glen, 146 at Monkton Hall and 88 at Killoch.

In the North East of England 255 new faces reported on the morning shift, and attendances strengthened marginally at the main pits (including Ellington - up to 322).

191 new faces reported at Yorkshire. There were 284 at Manton, 386 at Shireoaks, 190 at Denby Grange, 89 at Kellingley and 77 at Brookhouse. The number at Cortonwood rose to 9.

Attendances in Derbyshire strengthened. Elsewhere the position was much as yesterday.

Coal Movements

172,000 tonnes were moved yesterday.

23 coal trains ran.

SECRET AND PERSONAL

Law and Order

The Home Office reported that picketing was relatively quiet this morning.

The police have arrested 5 men following damage to the Coal Board's office at Cadeby on Sunday night.

GLC Report

A study by the GLC Economic Policy Group, published today, claims there will be power cuts for Londoners in January. The CEGB have stated there are no grounds for such scaremongering.

Line to Take

Since November 5 more than 10,000 miners have returned to join those of their colleagues who are working. There can be no better evidence that Mr Scargill's case is failing. The country applauds those miners who have the courage of their convictions and are voting with their feet.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

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*file this
cc Sir P. Coador*

10 DOWNING STREET

From the Private Secretary

20 November 1984

SOVIET ASSISTANCE TO THE NATIONAL UNION OF MINeworkERS

Thank you for your letter of 20 November on this subject. It arrived coincidentally with a meeting of MISC 101 and was briefly discussed there. The upshot was that Mr. Lamont should make point (a) in your letter to the Soviet Ambassador when he lunches with him today, though going rather further than you suggest and making clear that the Government object to the Soviet Union's activities. He should not, however, make point (b). This should be done in more discreet form through normal diplomatic channels.

I am sending copies of this letter to Michael Reidy (Department of Energy), David Peretz (H.M. Treasury), Edmund Hosker (Mr. Lamont's Office), Henry Steel (Law Officers' Department) and Richard Hatfield (Cabinet Office).

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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*With the compliments of
the Legal Secretary*

H. STEEL

*Law Officer's Department,
Royal Courts of Justice,
Strand, W.C.2.*

COP
WLR

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CCNO



H. STEEL, CMG OBE
LEGAL SECRETARY

LAW OFFICERS' DEPARTMENT
ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

20 November, 1984

Dear Sir,

SOVIET ASSISTANCE TO THE NUM

Thank you for sending us a copy of your letter of today's date to Charles Powell at No.10. ^{with CDP} I was particularly interested in your comment that the Russians could have passed the money through a Soviet bank direct to a TUC or regional NUM account without, so far as FCO lawyers can see at first glance, there being any risk of sequestration. As you may know, and as a result of a decision taken at a recent meeting of MISC 101, the British Government now have an interest, going beyond their ordinary political interest, in the sequestrators laying their hands on NUM funds. If the FCO now have or acquire in the future any concrete information about the way in which the money in question is in fact being transferred, it would therefore be very desirable that that information - not necessarily, of course, in its "raw" form - should be passed on to the sequestrators. For that purpose, the best channel of communication would be Gerald Hosker, the Deputy Treasury Solicitor, who is our point of contact with the sequestrators and who could ensure that the necessary security requirements, etc., were respected. If you and the other recipients of this letter see no objection, I should be grateful if somebody in the FCO could be asked to give Gerald Hosker whatever information is now available on this topic and to continue to do so on a regular basis as and when more information is received.

I am copying this letter only to Charles Powell and Richard Hatfield, and to Gerald Hosker himself.

*Yours ever,
Henry Steel*

H STEEL

C R Budd Esq
Assistant Private Secretary to
The Foreign and Commonwealth Secretary
Foreign and Commonwealth Office
Downing St
London SW1

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Foreign and Commonwealth Office

London SW1A 2AH

20 November 1984

Prime Minister
Contact Jan M.
Lamont to speak
as suggested?

Dear Charles,

CDP 20/xi

Soviet Assistance to the NUM

The Sunday Times "Insight" article on 18 November points up the publicity problems likely to arise from the Soviet miners' contributions to striking British miners. I refer to the connection between this and Gorbachev's visit in the final paragraph of my letter of 19 November to you.

Mr Scargill's reported remarks in the "Insight" article appear to confirm that, for the first time since reports of Soviet miners' assistance were received in September, contributions in cash as opposed to food and clothing have been received. The Morning Star on 19 November reports Mr McGahey as referring to a total of \$1,138,000 worth of support as having been received from "our Soviet comrades". He apparently drew a distinction between £500,000 worth of food and clothing from the Ukrainian miners and the remainder being made up of collections for the British miners' hardship fund (presumably cash).

The possibility of a cash transfer and the size of the sum involved makes this, in Sir Geoffrey Howe's view, a matter of some concern. He therefore considers that action should be taken on two points:

- a. to ask the Soviet Embassy for comments on the various press reports and for a clear account of the Soviet Government's role in the transfer of any aid from Soviet miners to the NUM. The object would be to clarify the extent to which the Soviet authorities themselves were involved in the transfer of the money to the UK;
- b. to speak on an "informal and personal" basis to the Soviet Embassy and while stressing that it is for the Supreme Soviet to select the members of its delegation, nevertheless to draw the Soviet Embassy's attention to the possible controversy that might attend the Gorbachev visit as a result of the likely press interest in the presence of Mr Strelchenko, the Donetsk coal-pit foreman in the delegation. Officials would make it clear that if Mr Strelchenko were to address a miners rally in the UK there would be a serious political row.

/On the

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On the technical/financial side, our belief, which we are checking with our Embassy in Moscow, is that it would be most unlikely that the Soviet miners' union could have been given access to convertible roubles without express Soviet official permission. To that extent, and because the State Bank provided facilities for Soviet miners' contributions to be channelled to central funds, the Soviet Government has, to some extent, been involved. At this end, we doubt whether the Russians would have committed any irregularities. Legally, they could have passed the money through a Soviet bank (and the Moscow Narodny have a branch in London) direct to a TUC or regional NUM account and without, so far as our lawyers can see at first glance, there being any risk of sequestration.

Sir Geoffrey thinks that Mr Lamont's lunch with the Soviet Ambassador on 20 November would be the most natural occasion on which to make the points at para 3(a) above to the Russians. In the light of the replies given to Mr Lamont we would need to decide on whether to pursue this further at official level and on the line we would wish to take both publicly and with the Russians.

I am sending copies of this letter to Michael Reidy (Department of Energy), David Peretz (Treasury), James Alty (PS/Mr Lamont), and the Attorney-General's Chambers, and to Richard Hatfield (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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PRIME MINISTER

Prime Minister ①

①

could you indicate what view you take on this?

AT 20/11

COAL FIRING SCHEME

It was agreed earlier this year that the Coal Firing Scheme should continue until this December but should then be reviewed. Mr. Walker wishes to postpone this review for six months as it is not possible to assess the supply and demand position for coal until the strike is ended. Meanwhile, he wishes to leave the Scheme open. There are still a few applications coming in.

The Chief Secretary agrees that the review should be postponed but in the meantime wishes to close the Scheme.

The Chief Secretary's view is perfectly logical - immediately after the strike the priority will be to despatch as much coal as possible to the power stations to replenish stocks, and if the closure programme is pursued vigorously, there should not be a surplus of coal which needs to be subsidised in order to encourage companies to take it up. In terms of the propaganda battle, however, it would be better to retain this Scheme as part of the Government's support for the industry.

Agree with

i) Mr. Walker?

✓ Yes - for the time being, not

ii) the Chief Secretary?

AT

Andrew Turnbull

19 November 1984

CCND

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FROM: CHIEF SECRETARY
DATE: 19 November 1984

PRIME MINISTER

COAL FIRING SCHEME

I have seen the letter of 13 November from Peter Walker's Private Secretary suggesting that the review of the Coal Firing Scheme should be deferred for 6 months and that in the meantime the scheme should be kept open for applications within the present £75 million commitment ceiling.

2 I agree that it makes sense to delay the review. The merits of the Scheme depend critically on the balance between coal supply and demand. A PSBR benefit arises only if, first, it creates additional conversions to coal firing and, second, burns coal which would otherwise be put to stock or sold at a loss abroad. We cannot form a clear view on this second part until after the strike. It is quite possible - if uneconomic pits are closed quickly after the strike - that there will not be excess stocks beyond those needed for power stations.

3 For this reason I cannot agree to Peter's proposal to keep the scheme open after December pending the review. I understand that something of the order of £25 million will remain uncommitted at the end of December. Accepting Peter's proposal would mean allowing this sum to be committed to grants for coal conversion without any clear view on the PSBR implications. This would be unwise at any time and must surely be wrong when the NCB is already a massive burden on public expenditure.

4 I am also uncertain whether it would be possible to make a "low key" announcement that the scheme was being kept open. Any announcement on coal attracts considerable

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attention at present. Apart from the oddity of encouraging the use of coal in present circumstances, it might be interpreted as indicating that the Government was prepared to ease up on pit closures. I think that for now we should make no announcement (I understand very few applications are being made under the scheme at present). When the stike has ended we should say, if asked, that the scheme is being reviewed as we intended, and that applications are not being accepted while the review is in progress.

5 In my view we should put the scheme into suspense from the end of December, accepting no further applications but take no final decisions on its future until the review has been completed.

6 I am copying this minute to Peter Walker and Norman Lamont.



PETER REES

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COMMERCE



SECRET

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P.01434

PRIME MINISTER

MISC 101(84)48th Meeting: Coal

You will wish to ask for report from:

- i. the Secretary of State for Energy on
 - the number of pits and miners working;
(today's figure for those returning to work appears likely to be a few hundred higher than last Monday's record figure)
 - *impact on coal production*
 - coal movements;
 - any moves to restart negotiations by the TUC, church leaders, etc.

- ii. the Home Secretary on
 - law and order
(there have been violent incidents reported again from the Yorkshire coalfields, away from the pitheads; there was apparently considerable damage at the NCB's Coal Exploration Unit at Doncaster and it is alleged that police were unable to respond to an alarm call from there).

- iii. the Attorney General on
 - the progress of the sequestrators.
(it is understood that he has given an indemnity orally to the sequestrators and that he will be able to report to the Group on the financial arrangements in the event that the indemnity is called)

SECRET



SECRET

2. In discussion you may like to pursue the following main points:
- i. how to sustain the return to work after the end of this week;
 - ii. the tactics being pursued in handling NACODS members in newly opened pits;
(the difficulties which arose in Scotland appear to have been resolved amicably; how is the NCB proposing to avoid similar problems in future, while ensuring that increased coal production is not unduly delayed?)
 - iii. the prospects for moving pithead coal stocks from pits where a substantial number of miners are now working.

Next meeting

3. The next opportunity for a discussion will be under the Industrial Affairs item at Cabinet on Thursday 22 November. The next meeting of MISC 101 has been arranged for Monday 26 November at 11.00am.

PLG

P L GREGSON

19 November 1984

SECRET



10 DOWNING STREET

Prime Minister

In replying to Alex
Eadie yesterday you
undertook to look at
the Adjournment debate to
which he referred. I do not
think you need to read it
in any detail: Mr Nellist's
speech was a standard
Militant diatribe. It was clearly
a rowdy occasion, especially
since Conservative backbenchers
enjoy taunting Mr Nellist
who is an identikit
Student revolutionary.

J.F.

Coal Industry Dispute

Motion made, and Question proposed, That this House do now adjourn—[Mr. Durant.]

10.59 pm

Mr. Dave Nellist (Coventry, South-East): For nearly nine months, 145,000 miners and their families have stood out against all that the Government have been able to throw at them. The miners have thwarted the Government's plans to destroy several communities, to seek directly the end of 70,000 mining jobs, to seek indirectly the end of a further 85,000 which depend on those miners being in work and to destroy the already tarnished hopes of a new and young generation growing up in the mining communities. For nearly nine months, despite everything that the Government and the media have thrown against the miners, their families and their communities, this strike remains solid.

The strike remains an inspiration to workers as a whole on how to resist the attacks of the Tories. It has destroyed the myth — often propagated by Tory Members of Parliament in the House — that trade unionists are selfish, greedy and always out for themselves. This strike is not principally about today's jobs for today's miners. It is also about miners fighting for the generation hoping to inherit those jobs and on behalf of their class, to reverse the general tide of unemployment in the black spots of Britain.

Tory Members of Parliament, as shown by their peals of laughter, have no chance of understanding the sacrifice of the past nine months, when families have sold cars, houses, furniture, televisions and videos and told children, "There are no birthdays this year. There is no Christmas coming up and their will be no holidays." The sacrifice that those families have made on behalf of themselves and their class is something that Tory Members of Parliament, with their salaries and their family background, would never understand.

This generation of miners has refused the bribes handed out by the Tory Government. They have refused to be bought off by redundancy payments — the lump sum social security benefits — which in recent months have been dangled as carrots in front of miners. The miners have resisted the Government's attempts to starve miners and their families back to work, with the criminal removal of £15 a week from the benefits paid to the families of striking miners. The families of strikers are worse off than the families of those who have committed major crimes — murder and so on — who now rest in the prisons. The families of striking miners have resisted the Government's attempts for nine months with the magnificent support of ordinary workers and their families in the rest of their class, whose collections of food and money, especially in the period to Christmas, have helped to alleviate some of the suffering and to sustain the families.

The families of striking miners have also resisted nine months when 8,000 workers — brothers and sisters of mine — were arrested. One in six of those arrested have been released without charge. That is an indication of the blanket nature of the arrests. Three quarters of the rest of those who have been arrested have been taken under what I would describe as the bogus charges of obstruction of the pavement, obstruction of the highway and obstruction of a policeman. They have been charged under section 5 of

the Public Order Act 1936 and other legislation used by the police to remove the pickets and picket organisers from the picket lines.

In addition, during those nine months of attacks, the miners have had set against them daily, every evening on the television screens, a biased media and, often, the twisted propaganda of the National Coal Board. The finger of the Government hovers behind that campaign of misinformation. That is what we have come to expect from a Tory media and Tory press. *[Interruption.]* When one looks at the number of editors of daily newspapers who have received knighthoods from the Government who are in the pockets of their millionaire owners —

Mr. Alexander Eadie (Midlothian): On a point of order, Mr. Deputy Speaker. Obviously, some Conservative Members have had a very good dinner. This is a serious subject, and my hon. Friend is entitled to be heard and to put the point of view representing his constituency.

Mr. Deputy Speaker (Mr. Harold Walker): No matter how unacceptable or unpopular their opinions may be to some, hon. Members are entitled to express them, provided they keep within the rules of the House.

Mr. Nellist: The campaign of misinformation launched by the media is what we have come to expect from those editors who received knighthoods from a Tory Government who are in the pocket of their millionaire owners.

One of the aspects —

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak) *rose* —

Mr. Nellist: If the hon. Member wants to make a point he has plenty of opportunity with the Tory propaganda that comes out daily in the media.

One of the aspects of the strike —

Mr. Beaumont-Dark *rose* —

Mr. Nellist: One of the results of the strike and the campaign of disinformation by the Tory media against miners has been the spur that that has given to Socialists and trade unionists within the Labour movement.

Mr. Beaumont-Dark *rose* —

Mr. Deputy Speaker: Order, the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) must restrain himself. Clearly the hon. Member for Coventry, South-East (Mr. Nellist) is not giving way.

Mr. Beaumont-Dark: He is not restraining himself.

Mr. Deputy Speaker: Order. The hon. Member must not shout at me from a sedentary position.

Mr. Beaumont-Dark: I will shout at you standing up.

Mr. Deputy Speaker: Order. Neither will the hon. Member stand on his feet while I am on mine. The hon. Member for Coventry, South-East is entitled to express his view and make his speech —

Mr. Beaumont-Dark: Rubbish.

Mr. Deputy Speaker: —and I hope that the House will allow him to do so.

Mr. Eadie: On a point of order, Mr. Deputy Speaker. Did you hear the hon. Member for Birmingham, Selly-Oak (Mr. Beaumont-Dark) say "rubbish" to you while you were reprimanding him?

Mr. Deputy Speaker: Order. No, I did not hear him say that. If the hon. Member said it, I deprecate it, but the hon. Member has already left the Chamber.

Mr. Nellist: One of the consequences of the media attacks on the NUM, the miners' families and trade unionists in general will be the spur that it gives to Socialists and trade unionists within the Labour movement to create a daily Socialist alternative to the Tory papers of Fleet street. Contrary to the attempts that have been made over the past two weeks to give the impression that the strike is crumbling, three quarters of the miners on strike remain solid. If Tory Members present in the House at this late hour wish to take some comfort from this afternoon's figures from the Coal Board, I offer them figures to destroy their case, in Scotland 225 miners returned to work making a total of 1,258 miners at work trying to weaken the strike. That is 9.5 per cent. of work force; 90.5 per cent. remain on strike. In Yorkshire—Tory Members seem to be overjoyed about this—450 went back, according to the National Coal Board. That makes 1,785 at work according to the NCB, and means 3 per cent. of the work force. It means that 97 per cent. of the miners are on strike.

In south Wales, according to the NCB, nine miners went back this morning. That makes 85 miners at work—less than 0.5 per cent. It means that 99.6 per cent. of the miners are on strike.

When do we hear Government spokesmen, the press or other parts of the media use figures of 90, 97 or 99.6 per cent. of miners on strike as a demonstration of the strength of the dispute? It is an illustration of the misinformation that pours out of the "tube" daily. Those figures do not give confidence to the Tory Government. It is a sign that time is running out for them. *[Interruption.]* It explains the marked reluctance of Tory Ministers and others in the House to give straight answers to questions about the dispute.

If a Member asks a Minister in the Department of Energy whether he will answer questions on the consequences of the strike on power stations, to gain an admission about the power stations that have already closed because of the strike, the simple answer is no. The Minister is afraid to tell the truth.

When we ask about the depth and penetration of oil imports over the past 12 months—where they are coming from, and how much they cost the Government—the information, apparently, is unavailable. Either the Government are not telling the truth when they say that the information is not available, or they ought to organise the Departments better, because senior civil servants are being paid a great deal of money not to collect information to give the Government a picture of what is happening. When we ask how many power stations have been built over the past 10 years, apparently the information is not readily available. Plainly, the Department of Energy cannot even count. When we ask about the movement of coal and whether imports are coming through the ports, the Department of Energy is not prepared to tell us. And those are just the questions that the Table Office accepts.

Then there are all the questions that the Department of Energy will not even take from the Table Office. The Department is not prepared to say what happened on 5 November, when there was a yellow alert and the grid was in a state of partial emergency. It will not list the power stations having difficulty generating electricity. The

Department is not prepared to give any form of answer to those questions. It is a sign of the Government's weakness that they are not prepared to back up their claims with detailed facts and figures.

The blame for the dispute rests not with the miners, who have conducted a heroic struggle in the past nine months, nor with the NUM leadership, but squarely with the Cabinet and the Government. The Government planned for the dispute seven or eight years ago when they were in Opposition. A report by the present Secretary of State for Transport, commonly known as the Ridley report, was released by *The Economist* in 1978. It spoke of dealing with the enemies of a future Tory Government—in particular, the miners—and set out a plan for doubling the coal stocks, which took place in the first four years of the Tory Government, reaching a record total of 58,500,000 tonnes. It referred to contingency plans for the import of coal—we have seen the effect of that at Hunterston in Scotland—and spoke of encouraging hauliers to recruit non-union drivers. It also referred to establishing dual oil and coal-fired power stations the oil for which, despite the Government's refusal to answer questions, is widely rumoured to be costing £25 million to £30 million per week.

The Ridley report also spoke of cutting off the money supply to strikers and establishing a large mobile squad of police to deal with picketing. *[Interruption.]* That, together with the appointment of MacGregor, after he had butchered the steel industry, a subject on which my family has a personal axe to grind—*[Interruption.]*

Mr. Deputy Speaker: Order. The hon. Gentleman is entitled to make his speech in his own way without continual barracking and jeering from hon. Members.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Deputy Speaker. Can you give an assurance that all the bars in this place have been kept open? If they have not, it might not be a bad idea if you made the necessary arrangements to get them open so that the Tories can get back where they came from and carry on drinking.

Mr. Deputy Speaker: This is a very serious subject. I hope that whether or not hon. Members agree with the hon. Member for Coventry, South-East (Mr. Nellist) they will at least give him the chance to make his speech in his own way.

Mr. Nellist: The Government's preparations for the dispute included the appointment of MacGregor, with his record of butchering the steel industry—my family has personal experience of those cuts—and his record as head of the Amax corporation in America in the 1970s. But all that preparation has not succeeded—despite those who worked throughout the dispute and are rightly described as scabs and despite pressure from the Government's starvation policies and direct pressure from the police. Miners in my area of Warwickshire have experienced that pressure in the past two or three days, with threats that unless individual miners went back to work the police would press more severe charges to ensure that they got sacked. Despite all the pressure on individual miners in recent days and weeks, the Government's preparation has failed.

The Government's preparation has failed largely because of the heroic role played by the women in the coal mining areas. In the first week of the dispute, MacGregor

said that he would like to hear from the miners' wives. He said that once and he never said it again because there are now 170 support groups established by the women in those areas. After the dispute is over, there will be a legacy of women who were previously trapped within four walls listening to interviews with the Prime Minister on the Jimmy Young show and being told that their only role was as providers for their menfolk and their children without any political or industrial role in the community. They have learnt what it is to struggle, to sacrifice and to organise and they will put those talents to use when the strike is over by coming into the organised labour and trade union movement.

Despite all those attacks, and in particular the organised, cynical and calculating use of the police against mining communities throughout the country, the Government have failed. I remember visiting my brother-in-law, an NUM member, at Selby three or four months ago when my sister was about to have a baby. We watched the television. At 20 minutes to six o'clock we watched the BBC news headlines. There was a story about seven policemen being sent down south to arrest post office robbers who were known to have sawn-off shotguns. Two of those policemen were shot. One was shot in the head and groin. He ended up on a life support machine and subsequently died. At a quarter to six I switched over to watch the ITV headlines, expecting the same sort of story. But the story was about 1,000 policemen on horseback, with dogs, truncheons and riot shields, escorting one man—Brian Green—into the Gascoine Wood area of the Selby coalfield.

That shows eloquently that, when it comes to the real issue of law and order, the Tory Government think it a bigger crime to stand on a picket line and defend jobs than to use sawn-off shotguns, attack post offices and kill police officers. [Interruption.] That is the sort of attack that has separated communities in the mining areas from the police and created gaps that will take generations to heal.

This morning on Radio 4 was one of the few occasions on which the voice of a miner's wife has been heard. She was a woman from Yorkshire. She said that before the strike, if someone was attacked in the street, he would telephone the police. "If the police are attacking you, who do you phone?", she asked.

That is the price that the Tory Government will have to pay—[Interruption.]

Mr. Deputy Speaker Order. Unless the hon. Member for Great Yarmouth (Mr. Cartiss) desists from interrupting from a sedentary position, I shall have no option but to ask him to withdraw from the Chamber. I hope that we can have order for the remainder of the hon. Gentleman's speech.

Mr. Nellist: That is the tab that the Government will have to pick up for the blitzkrieg that they have conducted against the pit villages of south Yorkshire—Armthorpe, Grimethorpe and Fitzwilliam. They have tried to soften up the pit communities. They have tried to warn the communities that surround power stations that when they try to move that coal in the weeks ahead police and perhaps troops will be used in a similar way in those communities.

Throughout the dispute, inside and outside the Chamber, we have heard the Government talk about economic and uneconomic pits. The Secretary of State has talked about a subsidy of £130 a week to keep miners

working in what he describes as uneconomic pits. They would more accurately be described as pits starved of investment, or facing difficult geological conditions. Even if it costs £130 a week to subsidise getting that difficult coal, would it really matter? That rabid Left-wing newspaper, *The Sun*, estimates that it costs £150 a week to keep someone on the dole. That would be the net economic cost of the sacrifice of the communities that the Tories are attacking.

So far, the Government have been prepared to spend £4,000 million attacking the miners and their families. They say that there is not enough money for houses or for education. That £4,000 million would be enough to provide an increase of £25 a week for everyone registered as being on the dole. [Interruption.] It would be enough to provide a tax cut of £4 a week for every insured worker. Yet the Tories say that there is not enough money to give benefits such as that, but they have the money to attack the National Union of Mineworkers, because the dispute is not about economic and uneconomic pits. It is about attacking a trade union and attempting to destroy it as a preface to weakening the rest of the trade union movement. It is not about the sequestration of NUM funds. In the words of the Secretary of State for Trade and Industry, it is about the castration of the NUM. It is about neutering the trade union movement.

The reasons are plain to see. Despite the Chancellor's attempt to deny it, and the talk from the Government Front Bench, there has been no economic upturn for working people. Five million are unemployed. Six million live in damp houses, and 9.7 million cannot afford a week's holiday away from home. Eighteen million people live on the poverty line. The Government's only solution is to mount further attacks on the unions that protect working people. That is the rationale behind the attempted destruction of the NUM. The miners are a shining example of how to oppose the Government. They show that workers have not been bought off in their struggle. They have not been bought off, as some sections of society have suggested, because they now own cars and houses with brass knockers on the front door.

In the past nine months I have been proud to stand on picket lines shoulder to shoulder with miners. It is where every Socialist, every trade unionist and every Labour Member from the bottom to the top of the tree ought to have been. The Tories have tried to isolate the NUM from the rest of working people using the media, the police and cuts in benefit. The miners will not be broken and the Tories will reap a whirlwind from the dispute. They are responsible for the rebirth of Socialist traditions in the NUM and the trade union movement as a whole.

The Prime Minister is respected in Britain for one thing alone. She stands resolutely for her class, for the moneyed, for the aristocracy, who pay for her to come to this place. She fights for her class. Among the miners and other workers there is a new generation of young men and women who are fighting for their class. The blame for the dispute rests with the Cabinet and the Government. The miners will not be broken. The whirlwind that the Government will reap will lead in the not too distant future to their downfall and an early election. Those in the ranks of the miners and the trade unions who are now joining the Labour party are doing so because of the dispute and because their eyes have been opened to capitalism and the way in which the Tories have attacked working people. They will not be satisfied with trying to patch up

[Mr. Nellist]

capitalism and piecemeal reforms, such as past Labour Governments have, unfortunately, put through in the past. They will want to ensure that no young person goes without work when they leave school, that no pensioner dies of hypothermia while the Government gather coal stocks of 58 million tonnes, that our children have the same sort of education as those who go to Eton and Harrow and that they have the same sort of homes as those on parliamentary salaries and above. That is the language of Socialism. Through their attacks on the workers, the Government are creating a new generation of Socialists out of the miners' strike.

11.22 pm

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt) rose—

Mr. Deputy Speaker: Order. Before I call the Minister, I have an apology to make to the House and the hon. Member for Great Yarmouth (Mr. Carttiss). I am afraid that I have done him an injustice. It appears that the hon. Member that I sought to reproach earlier for sedentary interventions was not him but the hon. Member for Leicestershire, North-West (Mr. Ashby).

Mr. Hunt: It will be difficult to respond to the stream of irresponsible invective that we have heard from the hon. Member for Coventry, South-East (Mr. Nellist) but I should like first to observe the normal courtesy of congratulating him on securing this opportunity to debate the important issues in the coal mining dispute. May I ask him to reflect for a moment that he was able to do so because he was successful in a ballot? It is a sad fact that precisely such an opportunity to participate in a ballot has been denied to the NUM and its members. That is especially inappropriate for a union that has a great tradition of democracy, and whose book states clearly in rule 43:

"A national strike shall only be entered upon as the result of a ballot vote of the Members".

Some areas were given an opportunity to vote and they decided two to one against joining a strike and many of those who voted in favour of a strike have carried on working pursuant to that democratic decision. The rest have chosen the only alternative. Deprived of the democratic right to a ballot, miners have been voting with their feet for an end to this tragic and unnecessary dispute. They are voting now with their feet in ever-increasing numbers.

Only a month ago, when I first came to this important responsibility, an average of 10 men a day braved the mobs to return to work. Three weeks ago about 75 men a day were abandoning the strike, two weeks ago the numbers rose to an average of 500 a day, and last week it doubled to an average of 1,000 men a day who rejoined their colleagues at the pits. Today, more than 2,200 have returned to work, bringing the total of NUM members no longer on strike to more than 60,000. That means that there are now more than 90,000 men at work in the industry, from a total of 222,000 employees.

Five times as many Conservative Members are present in the Chamber as Opposition Members. My hon. Friends

will ask why there has been this surge to work and why so many NUM members have defied the barricades. They are some of the bravest men in the country. As Lord Stockton said in the other place last week, they are some of the best men in the world. One must be brave to be one of the first four men who defied abuse and intimidation to return to work at Bilston Glen colliery on 5 June. This morning, 642 men were at work at that important pit.

Only two weeks ago, two men returned at Bersham colliery for the first time. Today 307 worked at that north Wales pit on the first two shifts. The hon. Member for Coventry, South-East has tried to exercise some influence at the Coventry colliery. I understand that he has been on the picket line there regularly. Nevertheless, today nearly 700 men are at work, which is a 60 per cent. attendance.

The hon. Gentleman talked about a struggle by the working classes, but he is talking about a fight in which miner is set against miner and community against community and about damaging internal strife within a great and proud industry.

Faced with a leadership of the NUM which openly boasts that its position has not budged an inch since the dispute started, miners must feel a growing sense of disillusionment about their leadership's totally intransigent attitude. Before them is the most generous offer ever made to miners since nationalisation. That offer includes: a guaranteed job for every mineworker who wants to stay in the industry—the kind of guarantee that makes my constituents in Merseyside green with envy; no compulsory redundancies and the highest redundancy benefits in western Europe; a pay increase to keep miners well ahead of average industrial wages; continuing investment on a substantial scale in the industry's future—£650 million more than originally envisaged in "Plan for Coal"; an undertaking now to examine the 4 million tonne capacity reduction proposed in March and to consider the future of the five particular pits under the industry's review procedures; a new independent advisory body within the colliery review procedures; and an enterprise scheme to bring new jobs to mining communities.

That is what the Board has offered. By contrast, what is Mr. Scargill offering his industry? Twenty producing coal faces have already been lost during the dispute so far, and a further 80 coal faces at about 50 collieries are causing serious concern.

The hon. Gentleman did not leave me much time to reply, so I must conclude my remarks. The Government want this great coal industry back to normal working as soon as possible. Those of us who care about the industry want to see a coal industry that increases its markets and makes itself highly competitive. The only way ahead for the industry is for the miners to reject the extremism of their leadership. The support for the hon. Gentleman is shown by the absence of his hon. Friends tonight.

The Question having been proposed after 10 o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER adjourned the House without Question put, pursuant to the Standing Order.

Adjourned at twenty-nine minutes past Eleven o'clock.

SECRET AND PERSONAL

46

Daily Coal Report - Monday 19 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	14	-
(iii) Some men present	64	-
(iv) On strike/picketed out	51	-

Snowdown (Kent), Glasshoughton and Manvers (Yorkshire) have moved from category (iv) to (iii).

By 5.00 pm the Board had reported that 2,282 striking miners had returned to work today. This was 292 more than last Monday's record and brings the total who have returned since 5 November to 9,499.

In Scotland 1,248 reported on the morning shift, including 642 at Bilston Glen and 118 at Monkton Hall.

In the North East the morning shift attendance rose by some 80 per cent to 1,527. At Ellington, where NUM branch secretary John Cunningham had announced his intention to return to work, attendance rose by 149 to 299. 322 men reported at Whittle, 167 at Wearmouth and 58 at Vane Tempest. Men reported at a further 8 pits in the area. A further 400 reported at the area's workshops.

In Yorkshire morning shift attendance rose by some 500 to 1,721, including 247 at Manton, 351 at Shire^{oaks}~~brook~~, 182 at Denby Grange, 80 at Kellingley, and 70 at Brookhouse. The number at Cortonwood rose to 6.

In North Derby, where the shift system is now operating at a

SECRET AND PERSONAL

SECRET AND PERSONAL

number of pits, 870 reported at Shirebrook this morning, 422 at Markham, 415 at Warsop.

In Wales there were 210 at Bersham, with more expected later as the pit is now operating three shifts. Attendance at Cynheidre rose to 53.

In Kent attendance at Tilmanstone rose to 62.

Coal Movements

953,500 tonnes were moved last week.

32 coal trains ran on Friday.

Law and Order

Again the trouble was predominantly in Yorkshire and the North East, and there were numerous reports of skirmishing with missiles being thrown, barricades built and vehicles overturned.

High Court

The attempt by working miners Taylor and Foulstone to have a receiver appointed to run the affairs of the Yorkshire NUM was today adjourned until December 10.

A levy in aid of striking miners, imposed on members of the National Union of Seamen by the union's Executive Council, was today declared unlawful by a High Court judge. However the judge ruled that the union was entitled to use its general fund to alleviate hardship and distress among striking miners if it considered that this would further the interests of NUS members.

SECRET AND PERSONAL

Line to Take

Today's record figures show that the return to work is continuing. They show that more miners are rejecting the mindless political campaign being waged by Mr Scargill and colleagues, and are voting for sanity.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1335</i> (one piece/item number)	Date and sign
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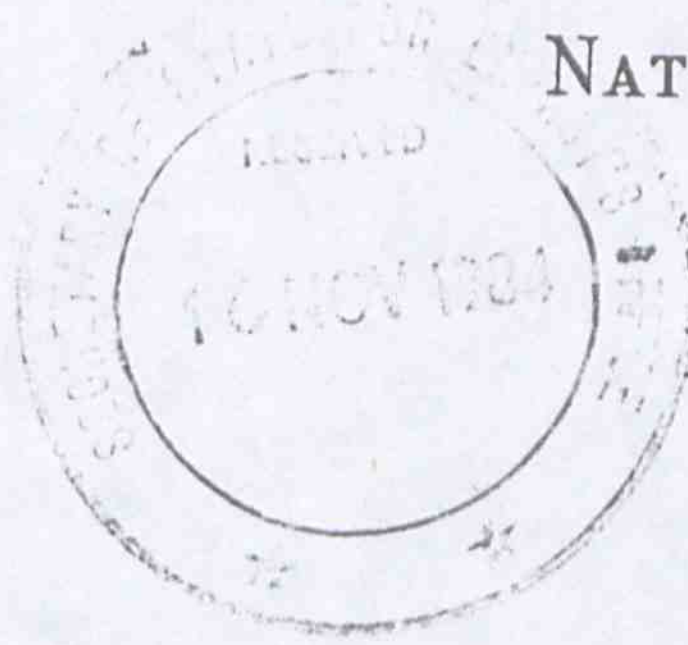
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NATIONAL COAL BOARD
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1X 7AE

01-235 2020

Prime Minister ②

A robust letter

HT

15/11

CHAIRMAN

Ian MacGregor

16 November 1984

Rt Hon Stanley Orme MP
House of Commons
London SW1A 0AA

MT

Dear Mr. Orme,

You asked me to consider the paper which you left with me when you were here on Tuesday, 13 November.

This paper contains suggestions which are, in essence, aimed at changing the wording of some of the proposals that were placed in front of the NUM by ourselves or by ACAS (in the one paper they produced which they regarded as an even-handed paper on the closure issue).

In a way, your paper is a negotiation and, at the present moment, my view is that it would be inappropriate for me to negotiate with you on this matter.

As I explained to you, during the long and numerous sessions we have had with the NUM, I found it disappointing that there seemed to be no effort to reach common ground on the part of those on the other side of the table, despite efforts by the Coal Board to modify language in an attempt to reach acceptable versions of the principles which we discussed and which would have to be established in our future relationships.

As I told you when you were here, in the discussion with NACODS we found that there was a desire to reach a settlement and therefore we did our best to produce an accommodation on most of the items which are still subject to dispute in our discussions with the NUM. The NACODS proposal is still available to others.

Unless there is a tangible indication from the NUM that they are intent on reaching a settlement in accordance with the NACODS agreement and the ACAS compromise proposal, and they advance some indication of that in writing, I do not see that it will be worthwhile for further discussions to take place.

Sincerely

Ian MacGregor.

C O N F I D E N T I A L

MISC 101 *copy folder*



HOUSE OF LORDS,
SW1A 0PW

L43/31/01

16 November 1984

My dear Margaret:

MINERS' CASES

Following the discussion in Cabinet ^{*attached*} yesterday, I understand that you and other members of MISC 101 would find it helpful to have a note about the progress being made in the Crown Court of cases arising out of the miners' dispute.

According to the figures supplied by my officials, 43 cases have been received by the Crown Court following committal by the magistrates' courts; 14 cases have already been disposed of and 29 remain outstanding. I should emphasise that these figures refer to cases rather than defendants and include "multi-handed" cases involving several defendants.

Cases are being listed in the Crown Court as quickly as possible, compatibly with the readiness of the parties, and there are no unusual delays at present in bringing the cases on for trial. In addition to the cases which have already reached the Crown Court and which will be dealt with as soon as possible, it is understood that a number of large multi-handed cases which will come to the Crown Court if committed are still at the pre-committal stage in the magistrates' courts. In particular, I understand that a number of such cases will, if committed by the magistrates' courts, come to the Crown Court at Sheffield in the near future.

I am copying this letter to other members of MISC 101 and to Sir Robert Armstrong.

Yrs:

O. H.

The Right Honourable
Margaret Thatcher, MP,
10, Downing Street,
Westminster, SW1.

Daily Coal Report - Friday 16 November 1984

See 45

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	13	-
(iii) Some men present	62	-
(iv) On strike/picketed out	54	-

Bates and Westoe (North East) and Barnburgh (Yorkshire) have moved from category (iv) to category (iii).

By 5.00 pm the Board had reported that a further 372 ex-strikers had returned today, bringing the total for this week to 5,016 and the total since 5 November to 7,217.

In Scotland 1003 reported on the morning shift, including 527 at Bilston Glen. A dispute with NACODS men at three Scottish pits appeared to have been satisfactorily resolved during the day. After conciliation talks at two of the pits, the Board issued a statement saying that agreement had been reached on the interpretation of national guidelines.

In the North East 876 reported, including 150 at Ellington and 94 at Wearmouth.

In Yorkshire the morning shift attendance rose to 1,266, including 204 at Manton, 224 at Shireoaks, 134 at Denby Grange and 56 at Kellingley. The same 5 men again reported to Cortonwood.

Again biggest increases were in North Derby with 786 at Shirebrook, 574 at Warsop, 322 at Markham, 300 at Bolsover, and 95 at both Arkwright and Whitwell.

There was little movement in South Wales, but in North Wales the number of men reporting at Bersham rose to 280.

In Kent 49 men reported to Tilmanstone.

Coal Movements

197,000 tonnes were moved yesterday.

31 trains ran.

Law and Order

The increasing number of pits at work presents obvious problems for the militants co-ordinating mob violence. The trend is towards smaller mobs spread around a larger number of locations.

There was trouble today at various locations in South Wales, the North East and Yorkshire, with missiles being thrown and barricades set alight etc.

Soviet Cash for Scargill

The Soviet News Agency TASS has stated that Russian miners have given £0.5 million to the NUM strike fund. This news comes in a week when there have been reports that those on picket duty have been receiving significantly smaller sums than of late.

NUM

A Sunderland miner was today expelled from the NUM for crossing picket lines at Wearmouth pit. A second miner is to be disciplined next week. However the NUM adjourned cases against two further men who are reportedly seeking legal advice.

Church "mediation"

There have been media reports of possible initiatives. But it is by no means clear what role the clergy concerned see for themselves.

High Court

Four striking Yorkshire miners yesterday asked the Court of Appeal to rule that police officers who stopped them at a road-block had acted outside their powers. Judgement was reserved to a date to be fixed.

Christmas Bonus

With the return to work now picking up, the Board have decided to extend by one week to Monday 26 November the deadline for returning miners to qualify for extra entitlements before Christmas.

Line to Take

Since 5 November more than 7,000 miners have returned to work. This is the clearest possible indication that mining communities are sick and tired of the violence, intimidation and deprivation being inflicted upon them by the militants. There is every sign that the return to work will spread.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

PRIME MINISTER

cc Mr Ingham

Subject as: NAT. IND.

Board Salaries
Part 3.

Mr Ian MacGregor: Performance Payments

You should know that it will be announced tomorrow that the first performance payment for Mr MacGregor is being deferred. It is being announced by means of a Written PQ because Lazard-Freres in New York have already told a journalist on 'The Observer'.

There is a wrangle between the Department of Energy and the Department of Trade and Industry on the terms in which the announcement should be made. The Department of Industry want to say

'the Government and Lazard-Freres have agreed to defer the first payment to Mr MacGregor until next year'.

Mr Walker wants to say

'at the suggestion of Lazard-Freres the first performance payment to Mr MacGregor is being deferred'.

The Department of Trade and Industry will not agree to Mr Walker's formula because it is not true, and, even if Lazard-Freres were persuaded to agree to this formula they could not be relied upon to stick to it.

Mr Lamont and Mr Walker are to have a further conversation in the morning to reach an agreed formula.

15 November 1984

Prime Minister (2)

Daily Coal Report - Thursday 15 November 1984

AT 15/11

44A

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	13	-
(iii) Some men present	59	-
(iv) On strike/picketed out	57	-

Another encouraging day. By 5.00 pm a further 718 ex-strikers had returned, bringing the total for the week to 4,629 and the total since 5 November to 6,830.

In Scotland 958 reported this morning, including 515 at Bilston Glen.

In the North East 823 reported, including 134 at Ellington and 85 at Wearmouth.

In Yorkshire a further 156 reported bringing the morning shift total to 1,211. Attendance at Manton rose to 202, Shireoaks 209, Denby Grange 127, Kellingley 53. Five men again reported to Cortonwood.

North Derby attendances also increased again, with 771 at Shirebrook, 543 at Warsop, and 301 at Markham. Attendance at Bolsover dipped by 3 to 304.

In Wales 271 men reported at Bersham (65 per cent of the workforce). These must have included men who last week voted for the strike to continue. The number at Cynheidre rose to 48. There were 20 at Celyn South.

Coal Movements

191,000 tonnes were moved yesterday.

34 coal trains ran.

Law and Order

There has been further trouble in South Yorkshire. In one incident youths carrying pickaxes, and some wearing balaclava helmets and combat jackets, sped in a convoy of cars through the gates of Saville pit, near Leeds. Windows and doors were smashed.

NUM Executive Meeting

The NUM Executive met in Sheffield today. Predictably it resisted pressure for a ballot of the entire membership, and reportedly decided on a series of meetings throughout the mining communities in what is described as a "public relations" exercise.

High Court

At a court hearing due to start on Monday, the Yorkshire NUM will seek to discharge the order made against it in September which declared the strike in Yorkshire to be illegal.

Line to Take

Moderate and responsible trade union members who are working in Britain's coalfields should take heart at the continuing return to work by their striking colleagues. Increasingly it is clear that the mob violence and intimidation by the militants is failing. No public relations exercise can deflect attention from this reality.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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



10 DOWNING STREET

Prime Minister

Mr Patten will represent
DTI for the industrial
affairs item. He will
use the opportunity to
say a few words about
BT, including advice
on what can and
cannot be said.

AT

14/4

PRIME MINISTER

I am sorry that I cannot attend Cabinet tomorrow since I will be on my way to Halifax, Nova Scotia, for a legal seminar.

Following our meeting yesterday, I spoke to the senior sequestrator and told him of our intention to provide indemnity. His firm (Price Waterhouse) were prepared to go to expenditure of £50,000 before they asked for help. Their inquiries so far have very nearly involved them in such an expenditure and he was very relieved to know that we would be able to back him, although I have advised him to continue to seek a bond in the city if he could obtain it. This does not mean, of course, that there is any going back *by* us in granting the indemnity.

He gave me some very interesting information. The £5m moved out of the Republic to America has now come back to Europe with about 5 million dollars in Luxembourg and the balance in Strasbourg and Switzerland. On the legal advice they are getting, he now intends to start actions in those three countries to freeze and ultimately to obtain an order for repayment to the United Kingdom and thus to the sequestrators of this money. He will do this whether he succeeds in Dublin or not on the 10 December for the balance of just a little over £2m. I think this is wise because there are a number of other actions pending against the NUM which may result in further fines.

SECRET.



He agrees with me that if the action by some working miners in court seeking to establish that the trustees acted in breach of trust in sending the money out of the country succeeds, then the court will appoint a receiver who would have the power to order the banks holding those funds to repay them to the United Kingdom and thus to the sequestrators.

I think in the end the indemnity will not be necessary, save perhaps for the undertaking to be responsible for any damages awarded if their action in Dublin fails and they cannot recover any of the money now in Europe.

It is ironic that the NUM Headquarters building in Sheffield is in fact owned by the National Coal Board and therefore there is no asset which could be used there.

It is also ironic that the only NUM houses which the sequestrators could trace are occupied by Mr Daley and Lord Gormley and I share the sequestrators view that it would not be politically wise to seek to put them out on the street and sell their ~~assets~~ houses.

M.H.

14 November 1984



43

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

14 November 1984

Dear Andrew

ENDURANCE

I attach this week's report.

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

*Yours
John*

J S NEILSON
Private Secretary



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week were 0.71mt (including non-NCB sources). Coal burn was 0.77mt and stocks fell by 0.06mt. The Board's stocks last Sunday night (11 November) were 14.69mt with a further 0.84mt at Scottish power stations.

2 Total NCB deliveries last week were 0.94mt of which about 0.27mt 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 0.51mt per week. The average over the past eight weeks has been 0.70mt.

4 The CEGB's estimate of the range of endurance outcomes is as follows:-

<u>Future usable coal deliveries</u>	<u>System Endurance</u>	
	<u>90% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	mid Feb	early March
0.35	late Feb	early March
0.40	early March	late March
0.45	early March	early April
0.50	-	Autumn 1985

Department of Energy

14 November 1984

Prime Minister

Not brave enough to say the miners'

DEPARTMENT OF EMPLOYMENT

Case is unreasonable, as to
condemn violence by which
Strike is being pursued.



Caxton House
Tothill Street
London SW1H 9NF
Telephone 01-213-6670

BT
14/11

AT

Duty Clerk No. 10.

WITH THE COMPLIMENTS OF
THE PRIVATE SECRETARY TO THE PARLIAMENTARY
UNDER SECRETARY OF STATE

Mr. Bottomley wondered whether
the Prime Minister had seen this
editorial by Alastair Graham in the
2nd October edition of CPSA's Red
Tape. He thought that it was brave.

W

Jeremy Cooper

14.11.84.



42

Ref. A084/3030

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

117 people present
57 out

It may be convenient to divide tomorrow's discussion into the following three parts:

progress reports;

timing of the benefit changes affecting strikers;

line to take.

5,000 made this week.

Progress reports

576
N.G. 88-14
Wander.

2. You will wish to invite oral reports from:

Wolverhampton
6,000.

(i) The Secretary of State for Energy on

14 - 62
43 - 1250

the number of pits and miners working (today's figure for those returning again appears to be more than double the figure for the same day last week);

1,000
575 B.G.
9 other pits.

coal movements;

NCB proposals for sustaining and improving the return to work (it was announced on 13 November that the deadline for a return to work which would qualify for holiday and bonus payments before Christmas had been extended by a week from 19 November).

301
Nasham 118
Bromham

(ii) The Home Secretary on this week's high levels of violence in mining areas.



(iii) The Secretary of State for Employment on the likely attitudes of the TUC and Labour Party following the hostile reception of Mr Willis at the NUM rally in South Wales on 13 November, and Mr Kinnock's statement supporting Mr Willis.

(iv) The Lord Chancellor on the apparent lack of progress in bringing before the courts the more serious offences arising from picket line violence. (The Lord Chancellor has been asked to be prepared to speak on this matter.)

3. On the question of an indemnity for the sequestrators the Attorney General is, following the decision of MISC 101, pursuing the matter with the Chief Secretary, Treasury. It is unlikely to be raised tomorrow. One possible difficulty which might arise is the identification (should this prove necessary) of the particular Department incurring the contingent liability. For obvious political and presentational reasons the Department of Energy would be reluctant to take this on. The Lord Chancellor's Department would be a better choice. But there may be ways of getting round this difficulty. In any case we gather that the sequestrators are no longer being held up in their efforts.

Benefit changes affecting strikers

4. The Secretaries of State for Social Services and for Energy are likely to wish to discuss the timing of the recently agreed changes to benefits affecting strikers.

5. Mr Fowler is now ready to proceed with action to:

amend the supplementary benefit regulations so that payment of strikers' mortgage interest should be by a separate Giro cheque payable to the relevant building society;



block the loophole in the Housing Benefit Regulations concerning board and lodging payments to single strikers living with their parents;

(Both these items have been discussed by the Home and Social Affairs Committee and reported to you and other Cabinet colleagues in the Lord President's note of 30 October.)

Para A

uprate the "specified sum" from £15 to £16 - in accordance with the Social Security (No 2) Act 1980.

(Your agreement to this was conveyed in your Private Secretary's letter of 1 November to the Private Secretary to the Secretary of State for Social Services.)

Para B

All the changes apply to all strikers, not just to the striking miners.

6. The Secretary of State for Energy is anxious to avoid any action that might be exploited by Mr Scargill and others to slow down the return to work and would prefer action on the three items to be delayed. ~~The Secretary of State for Social Services is concerned that any delay in respect of uprating the "specified sum" would mean that full implementation would not prove practicable in the current financial year. There would seem to be~~ ^{four} ~~three~~ courses of action open:

- (a) to delay implementing all three items;
- (b) to delay implementing uprating of the "specified sum" (if this is thought to be the most sensitive item);
- (c) to implement all three as already agreed, but taking particular care over the public presentation of the "uprating" item.

AT

- (d) uprate the "specified sum" on the argument that this is an automatic consequence of the general uprating, and delay the discretionary changes.

7. There are sound arguments on both sides. It would clearly be undesirable to give Mr Scargill some new issue to exploit just at the moment when he appears to be getting increasingly isolated and



when all public attention should be concentrated on the acceleration in the return to work. On the other hand the benefit changes should marginally increase the pressures to return to work. Moreover they may be easier to present now, along with other adjustments to benefits, than in isolation later.

Line to take

8. You will wish to conclude the discussion in the usual way by inviting proposals from the Secretary of State for Energy on the line to take, and in particular on:

the return to work;

violence;

benefit changes (if they are to be announced shortly).

Next meeting

9. The next meeting of MISC 101 has been arranged for 10.45 am on Tuesday 20 November.

Ro

Approved by
ROBERT ARMSTRONG
and signed in his absence.

14 November 1984

Prime Minutes

4/

Daily Coal Report - Wednesday 14 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	13	-
(iii) Some men present	53	-
(iv) On strike/picketed out	64	-

Monkton Hall (Scotland), where 61 men reported this morning, has moved from category (iii) to category (ii).

It has been a further encouraging day. Over the past eight months the usual experience has been for attendances to decline in the middle of the week. Today, attendances increased: by 5.00 pm 956 ex-strikers had returned, bringing the total for the week to 3896 and the total since 8 November to 6097.

In Scotland the number reporting on the morning shift rose by 112 to 886. 483 of these were at Bilston Glen.

In the North East an additional 200 reported, bringing the total to 647. These included 101 at Ellington pit and 71 at Wearmouth - bringing the prospect that some coal production from this area may soon resume.

In Yorkshire total attendance broke the thousand barrier for the first time: 1055, up 238 from yesterday. This included 180 at Manton, 164 at Shireoaks, 130 at Denby Grange, 52 at Kellingley and 5 at Cortonwood.

In North Derbyshire there were 745 at Shirebrook (from where coal is again being transported by rail), 520 at Warsop, 307 at Bolsover and 257 at Markham. Attendances at other North Derbyshire pits also increased.

SECRET AND PERSONAL

At Bersham pit in Wales, which last week voted narrowly in favour of continuing the strike action after 62 miners boycotted the ballot, 230 men reported this morning - over 50 per cent of the total pit workforce. The number at Cynheidre rose to 45.

There were good attendances in Nottinghamshire and the other main working areas.

Coal Movements

188,000 thousand tonnes were moved yesterday.

31 coal trains ran.

Law and Order

There were further reports of violent skirmishing from Yorkshire and Wales, though nothing on the scale of the last three days.

TUC

Mr Kinnock today defended TUC General Secretary Norman Willis for his condemnation of picket line violence made at last night's rally of striking Welsh miners. Some members of the TUC General Council also expressed anger and concern.

Line to Take

Since the beginning of last week over 6,000 miners have returned to work. Mr Scargill's desperate efforts to stem the tide are failing. Miners are putting loyalty to their families and their communities first.

Distribution: Members of MISC 101, Paymaster General

Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL



Coal file

act F
CND

40

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

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

14 November 1984

Dear John

DEDUCTION FROM BENEFIT FOR STRIKERS

I enclose as discussed a background note on this issue. I now understand that the South Wales Echo is on the streets with a story that the deduction is to be increased to £16 but that DHSS are not yet saying so. We must expect the national media to be on to us anytime.

I am copying this letter and enclosure to Andrew Turnbull. ✓

Janis

Steve

S A Godber
Private Secretary

SECRET

SUPPLEMENTARY BENEFIT FOR STRIKERS

1. Strikers are not eligible for unemployment benefit or for supplementary benefit in respect of their own requirements. They are eligible to claim supplementary benefit for their dependants.
2. Since 1980, a "specified sum" has been deducted from any supplementary benefit payable. The intention is that the taxpayer should not have to bear the whole burden of supporting strikers' families during a dispute but that strikers themselves (possibly but not necessarily through their union) should bear part of the responsibility for the maintenance of their dependants.
3. These rules apply not simply to strikers but to anyone participating in or with a direct interest in a trade dispute (under the terms of Section 19 of the Social Security Act 1975). They apply whether a strike is official or unofficial and whether or not strike pay is being provided.

Uprating the deduction

4. Section 6 of the Social Security (No 2) Act 1980 also requires that, unless Regulations to the contrary are introduced, the "specified sum" be uprated at the time of the general uprating of benefits (26 November this year). The sum is increased in line with the RPI. The result is then rounded to the nearest 50p. The Secretary of State makes a declaratory order stating the new sum, which is not open to debate. So far the uprating has always followed the formula in the Act. Since 1980 it has been increased as follows:

1980	£12
1981	£13
1982	£14.50
1983	£15

Application of the formula this year will increase the figure to £16.

5. The Social Services Secretary wrote to colleagues on 28 October (copy attached) indicating his intention to uprate the sum this year in accordance with the existing provisions, although recognising that

a small proportion of strikers could lose up to 55 pence since the increased deduction would be greater than the higher benefit payable for their children. This was agreed by the Prime Minister and the Chief Secretary. The general benefit uprating takes effect on 26 November and the effect of the Act will, therefore, be to increase the present £15 to £16 from the same date as part of that uprating. In practice local offices need to work with the new figures from the week commencing 19 November.

Alternatives

6. If it were desired to retain the existing figure or set any other figure than £16 it would be necessary, under the 1980 Act, to pass affirmative regulations before uprating day. In practice this would mean that regulations would need to be prepared, laid, debated and approved by both Houses before 26 November. Failing that, the normal provisions would take effect automatically.

Other issues

7. An early announcement is also needed of the revised interpretation of the law relating to strikers receiving supplementary benefit who fall sick. The details were contained in the letter of 28 October from the Social Services Secretary. DHSS understand that the (independent) Chief Adjudication Officer intends to issue revised instructions to local office staff early next week. Although there is no requirement on Ministers to publicise the CAO's advice, Ministers would be open to criticism if they did not report the change to Parliament.

8. No particular constraints surround the timing of the announcement of the proposed direct payment of mortgage interest to building societies; or the introduction of regulations to implement the (already announced) decision to permit strikers to claim grants for funeral expenses.

CONFIDENTIAL



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

cc Mr Phillips
Mr Murphy
Mrs Kirk
Mr Heppell
Mr Regan
Mr White

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1

October 28 1984.

Peter Rees

SUPPLEMENTARY BENEFIT FOR STRIKERS

As you know, when we were considering the uprating of benefit earlier this year I postponed a decision on the amount by which the £15 "specified sum" should be increased.

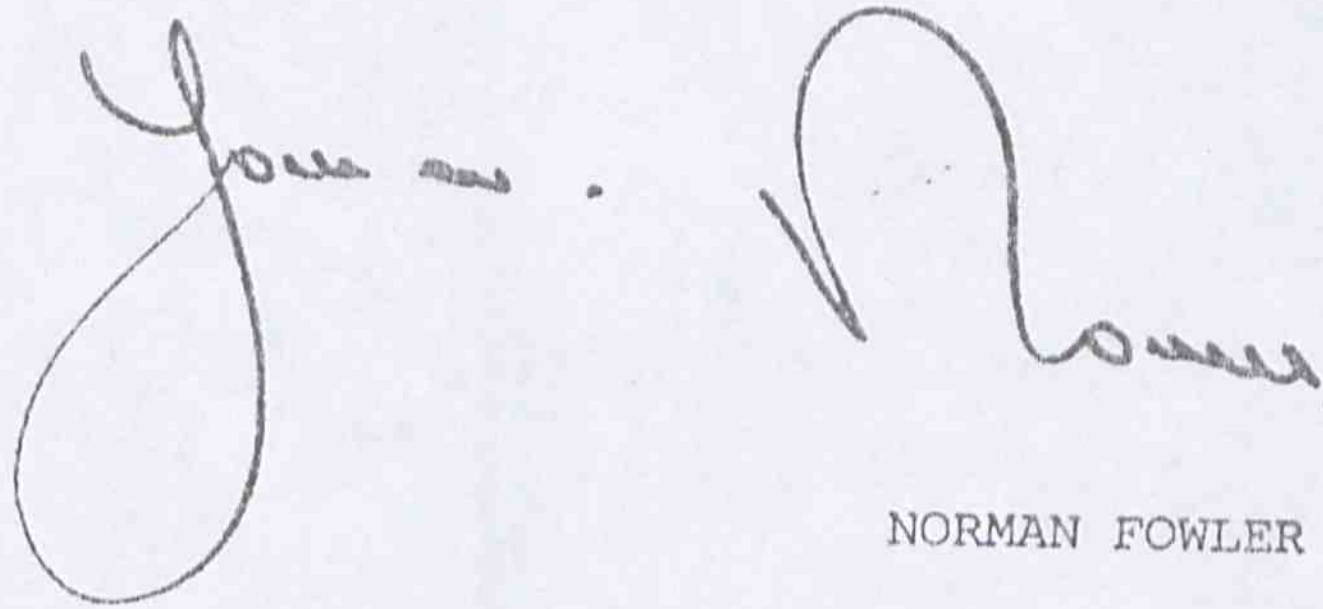
Having considered this further, I have concluded that we should uprate the sum to £16 in accordance with the provisions of Section 6(2) of the Social Security (No 2) Act 1980. There may be some criticism, along the lines that we should amend the present regulations to prevent the situation in which a small proportion of strikers receiving benefit will lose up to 55 pence a week at the uprating (because the increased deduction will be greater than the increased benefit payable for their children). But I do not think it would be right to make such a change at present and would defend the £16 figure on the grounds that it is clearly in accordance with the established legislative requirements.

One other point has just cropped up, quite unexpectedly, on which I need your agreement. This concerns strikers who go sick. National insurance law disqualifies strikers from receiving unemployment benefit but that disqualification does not extend to sickness benefit. Thus a striker who goes sick can receive sickness benefit, though we adopt special procedures to ensure that the sickness is genuine. For many years (at least since 1948) supplementary benefit practice has followed the national insurance principle, so that a sick striker has not been disqualified for receiving benefit for his own needs, and the £15 deduction has not applied. The Chief Adjudication Officer, who as you know is statutorily independent, has recently had occasion to reconsider the position. His conclusion, after taking legal advice, was that the supplementary benefit disqualification, and therefore the £15 deduction, should continue to apply during sickness. This means that sickness benefit will continue to be payable to a striker who goes sick but that he will no longer be able to receive supplementation; and in the rare case of a striker who does not satisfy the contribution conditions for sickness benefit, he will not be able to receive supplementary benefit instead.

CONFIDENTIAL

It would be possible by making an affirmative regulation to continue the arrangements operating before this revised interpretation of the law. I have concluded that this should not be done since a striker who goes sick has not lost earnings so that his position is essentially unchanged. The position of sickness benefit is different because it is a contributory benefit paid when a given contingency - sickness - arises. But I believe that it would be a mistake to withdraw supplementary benefit from a sick striker already receiving it. Accordingly, I propose that benefit should continue in such cases on an extra statutory basis. I should be glad to have your agreement to this.

I am copying this letter to the Prime Minister, Willie Whitelaw, Leon Brittan, Nigel Lawson, Peter Walker, Michael Heseltine, George Younger, Norman Tebbit, Tom King, Nicholas Ridley, David Young and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Norman Fowler', with a large loop at the end of the name.

NORMAN FOWLER

PRIME MINISTER

14 November 1984

DELAY IN CROWN COURT TRIALS

Some delay in Crown Court trials are to be anticipated in the Midland & Oxford circuit and the North Eastern circuit. There is a backlog of about 500 cases. Less than 50 miners' cases have been dealt with in the Crown Court so far. The attached schedule illustrates the problem areas.

The Courts Act, 1971 provides for the Lord Chancellor to determine where any Crown Court shall sit [Section 4(6)]. It would seem appropriate for emergency extra Courts to be set up and for extra or assistant judiciary to be asked to sit.



HARTLEY BOOTH

CONFIDENTIAL

PRIME MINISTER

14 November 1984

USE OF CROWN COURTS/NUM/NCB DISPUTE:

1. SHOWING FLOW OF CASES; AND 2. IDENTIFYING TROUBLE SPOTS

Circuit	Number Of Cases Disposed Of A = Appeal T = Trial C = Cases both A & T	Number Of Cases Still To Be Heard	Notes	Date Of Trial
Western	Nil	Nil		Lord Chancellor's Department could give no dates from any circuit for the trials but early and mid-1985 is the best estimate.
Northern (ie NW)	1T 3A	3T 8A		
South Eastern	1A	1T	Involving 5 defendants.	
Wales & Chester		2T 1A	Prosecution & defence are choosing summary trial.	
Midlands & Oxford	14C (including 6T)	22C	** 3 committals in pipeline with respectively 57, 60 & 90 defendants	
North Eastern	8C	12T 40A	* 10 committals in pipeline involving 200 defendants. ** Possible spate of appeals in January.	

H. Booth
HARTLEY BOOTH

CONFIDENTIAL

PERSONAL AND CONFIDENTIAL

1. MR BUTLER
2. PRIME MINISTER

I think Mr. Ingham spoke well. But what a broken reed David Barnett is.

TERS

13.11.

*Bernard was
manoeuvre me*

COAL STRIKE

I saw David Basnett, GMBTU General Secretary, privately for an hour last night in the presence of Geoffrey Goodman, associate editor, Daily Mirror. Mr Goodman had been trying to set up this meeting for a week at the instigation of Mr Basnett; one meeting was called off last week because Mr Basnett found it inconvenient, though there is some evidence it reflected his congenital indecisiveness. At one stage last evening Mr Basnett said his wife had told him he should see me, so he had to do so.

I made it clear at the outset that only one person (whom I subsequently identified as the Prime Minister) knew I was seeing him. I fully recognised that it was important to him that confidentiality was maintained. He agreed it was and took it for granted that it would be. I reassured him.

Mr Basnett had no reason to suppose that I would be leaving a comforting message because I told Mr Goodman last week that, in my judgement, the outlook for a Government/TUC (or a more private version of such a contact) was bleak. He never actually asked for a private meeting with the Prime Minister, though he might have summoned up the courage to do so had I been more encouraging. But the conversation was conducted against the background of my knowing he was seeking:

- contact with Government; and
- Government intervention in the dispute to secure a resumption of negotiations.

Mr Basnett began by saying there was no point in trying to do anything before next Monday (November 19) when the NCB's "bribe" expired. It was however already clear that the NCB's tactic had failed, notwithstanding a return to work yesterday of 1,900 miners. The drift back to work would end this week and the dispute would then become a war of attrition. The strike would not be resolved in this way; it could only be ended by negotiation.

PERSONAL AND CONFIDENTIAL

PERSONAL AND CONFIDENTIAL

2.

The NCB, however, had unnecessarily boxed itself in by putting a terminal date on its offer. It was now a prisoner. And its refusal to negotiate was unacceptable and unrealistic.

The TUC could not stand idly by in the face of this immobility. It must try to secure some movement, though Mr Basnett freely admitted that there was no consensus in the TUC as to how it might be achieved. He gave the impression that most thought that the NCB must somehow be brought back to the negotiating table.

I asked, by way of the first of a series of questions, what made Mr Basnett think that Mr Scargill would negotiate. He acknowledged the force of the question but went on to suggest that the TUC was steadily acquiring some influence over the NUM. His whole strategy had been to bring the NUM in to the TUC fold and this was proving successful. But the NUM were like "frightened rabbits" ready to bolt at the first sign that the TUC was playing the 1926 game. TUC influence and pressure had therefore to be exercised extremely carefully.

He implied, but did not spell this out fully, that if the TUC could be seen to get the NCB to resume negotiations it would acquire greater authority in the eyes of the NUM and would in turn be able to exercise greater influence over the NUM.

I asked Mr Basnett if he was a one-man-band and whether, as a one-man-band, he had formed any judgement of whether he could command a majority on the TUC General Council for the application of pressure on the NUM in the appropriate circumstances.

He said that so far as he knew - and he thought he would know if it were otherwise - he was the only person in touch with the Government. No-one else knew he was having even this contact (with me). After some thought and evident mental arithmetic he felt he might just secure a majority on the TUC General Council for applying pressure on the NUM to negotiate meaningfully.

PERSONAL AND CONFIDENTIAL

During his opening exposition Mr Basnett appeared weary, uncertain, uneasy and anything but resolute - in short, a troubled man without many ideas or alternatively lacking the courage or stomach for decisive action.

In reply I made the following points:

i. the Government seriously doubted whether Mr Scargill would ever negotiate or strike a deal;

ii. in my 18 years of watching Ministers at close quarters in industrial disputes I had to say that I had never personally known such a sustained unity of purpose; Ministers were at one in resisting any compromise with Mr Scargill's avoidance of his union's democratic procedures and his use of violence and intimidation;

iii. there were, however, practical reasons why the Government should do nothing to end the stalemate:

a. miners were going back to work in increased numbers; it was a matter for speculation whether the stream would dry up next Monday - the need to earn a living would remain;

b. there was much to be said for as many miners as possible returning to work by their own free decision in order to ease the post-strike problems which would arise;

c. renewed negotiations, which could only be designed to get the NUM off the hook and give them more than NACODS had got, would be the most effective stopper on a return to work;

d. thus the TUC ploy for renewed negotiations could only be seen as an attempt to assist the NUM at the expense of the NCB, NACODS, taxpayer, Government, etc;

e. yet the NUM had manipulated its members into a strike and had been responsible for the worst period of industrial violence and intimidation witnessed in this country for many a long year;

f. for all these reasons I saw little point in Government/TUC contact with the aim of securing new negotiations, especially when the TUC (and the Labour Party) had done so little to condemn the abuse of the NUM's democratic procedures and Mr Scargill's blatant use of violence and intimidation.

Mr Goodman told me after we had left Mr Basnett that the force of this response had clearly shaken him.

In reply, Mr Basnett first seemed disinclined to criticise Mr Scargill much for his creative use of his rule book. Indeed, his inclination was much more to push it on one side as not a serious blot, if not actually to excuse it. He could not answer for the Labour Party. But he himself had condemned the use of violence, and so had others in the TUC.

I felt obliged to retort that I was absolutely convinced that Ministers did not regard TUC condemnations as being either adequately forceful or sustained. It was a matter for conjecture whether, if the TUC had been consistently condemnatory, the strike would still be on. But I felt pretty sure that had the TUC stood its ground on two fundamental aspects of a democratic society - the NUM's need to use the ballot box and to picket peacefully - there would now be more point in talks with the Government and that it would have more leverage with Ministers.

Mr Basnett saw the point but gave me no reason to suppose that either he or others in the TUC were contemplating a tougher public line against NUM tactics. He seemed preoccupied with preserving the basis for exercising private pressure on the NUM within the TUC, while at the same time tacitly admitting that it would not necessarily bear any fruit.

The conversation then drifted, at my prompting, into a not very revealing discussion of internal TUC problems. Mr Basnett avoided personalities but said enough to reveal his dislike and contempt for Norman Willis whom he portrayed as a tool of the Left and a windbag. He also said enough to suggest that he would rely a great deal for support on white collar unions (who will not carry much clout with the NUM), and on Tony Christopher (IRSF) in particular. (I happen to know the two work closely together.)

Mr Basnett then became somewhat philosophical about the role of Government in a democratic society, no doubt as a means of returning to the purpose of the meeting: namely to explore the scope for a Government/TUC contact in whatever form.

He said that the TUC simply could not allow the NUM to be ruined and wrecked. It had an obligation to protect it from humiliation and annihilation. Similarly, he argued, the Government in a pluralistic society had an obligation to reconcile. The longer term consequences of the strike in South Yorkshire were already awful to contemplate. But the outlook for responsible trade unionism, as a pillar of society, was even worse if the dispute was not brought to an orderly and reasonable conclusion.

It was at this point that Mr Basnett argued that one consequence of a public defeat and humiliation for the NUM would be to create extremism in trade unions. Did the Government wish to reinforce this?

By way of reply, I said that I did not think the Government cared two hoots for the NUM. But it did care deeply for the members of the NUM, both those on strike and at work. We must remember that people were more important than institutions - a point, I may say, which predictably discomfited Mr Basnett. And people were being cruelly treated by this strike.

It was all very well, I added, to say that the effect of public defeat for the NUM would be to create extremism in trade unionism and trade union leadership. But surely there was no hope for moderates like himself unless the forces of Scargillism were effectively defeated - and seen to be defeated.

I gained the impression that this point was painful to Mr Basnett who, like most trade union leaders, has difficulty in distinguishing between the machine and the people it is supposed to serve. At all events he did not make any noteworthy response.

It was at this point that I began to feel that not only might I be abusing Mr Basnett's generous hospitality - the GMWU, as it was, has its own label malt whisky - but that I might be becoming counterproductive. I therefore inquired whether Mr Basnett had any contacts at all with Government, apart from me.

He revealed, very hesitantly, that Tom King had asked to see him shortly but that he did not view the discussion with enthusiasm - He muttered something about the monkey and the organ grinder and asked if I got the point. Otherwise, he commented somewhat bleakly on the isolation, which he saw as Government enforced, of the TUC - a pillar of society, he repeated - from Government. He had, he said, wondered about talking to Peter Walker but dismissed it. He would be very ready to see Lord Whitelaw when I mentioned his name by way of probing.

I said that Lord Whitelaw had a fixation against going behind fellow Ministers' backs. Mr Basnett said he had no such problem. }

I then moved to summarise the discussion:

- i. I saw little benefit in a Government/TUC meeting, however organised, at present for all the reasons stated;
- ii. I did however recognise the TUC's understandable concern about the post-strike future of the NUM and the consequences of a long and futile strike for the wider trade union movement; but they did appear to be asking the Government to come to their and the NUM's rescue;

iii. I would communicate the substance of the conversation to the Prime Minister who knew I was seeing Mr Basnett and had made no attempt to stop me;

iv. I was bound to express my concern at the isolation of the TUC, and not least moderates like Mr Basnett, from Government and I would make that point known;

v. but I must reiterate the need for all democrats who abhorred extremism and violence to stand up for the ballot box, Parliamentary democracy and law and order; that was the way to win friends and influence people;

vi. in the meantime, notwithstanding my rather discouraging message, we must keep in touch, through Mr Goodman.

Mr Basnett said he did not dissent from my summing up in the sense that it reflected the conversation. He agreed we should keep in touch as suggested, but that there was no point in any further contact before November 19 - ie until later next week.

After the meeting, Mr Goodman described the discussion as a useful first exploration. He thought I had established a sound basis by being frank, however brutal in the process. Mr Basnett would not have understood - or alternatively would have been suspicious - had I been bland or encouraging.

The initiative rests with Mr Basnett via Mr Goodman.



BERNARD INGHAM
13 November 1984

EL



Mrs Anne Scargill and
Mrs Betty Heathfield
Women against Pit Closures
St James' House
Vicar Lane
SHEFFIELD
S1 2EX

November 1984

Mrs Anne Scargill and Mrs Heathfield

Thank you for your letter of 12 October.

May I first of all make it clear that your husbands have organised a strike for which there is no industrial justification.

If their real concern was to improve working conditions and the environment they would, of course, have rejoiced at the fact that not only was every miner guaranteed a job, but the National Coal Board have made clear their willingness to invest vast sums of money in new machinery, new equipment and new collieries, where the working conditions will be much better than in those collieries now close to exhaustion.

These offers to miners and the coal industry are unique. But in addition, the Board, with the Government's support, has created a new company with the objective and the means of bringing new enterprises and businesses to mining communities.

Your husbands also know that the Board have offered generous terms for early retirement in areas where pits have become exhausted of coal which can be produced on a sensible basis.

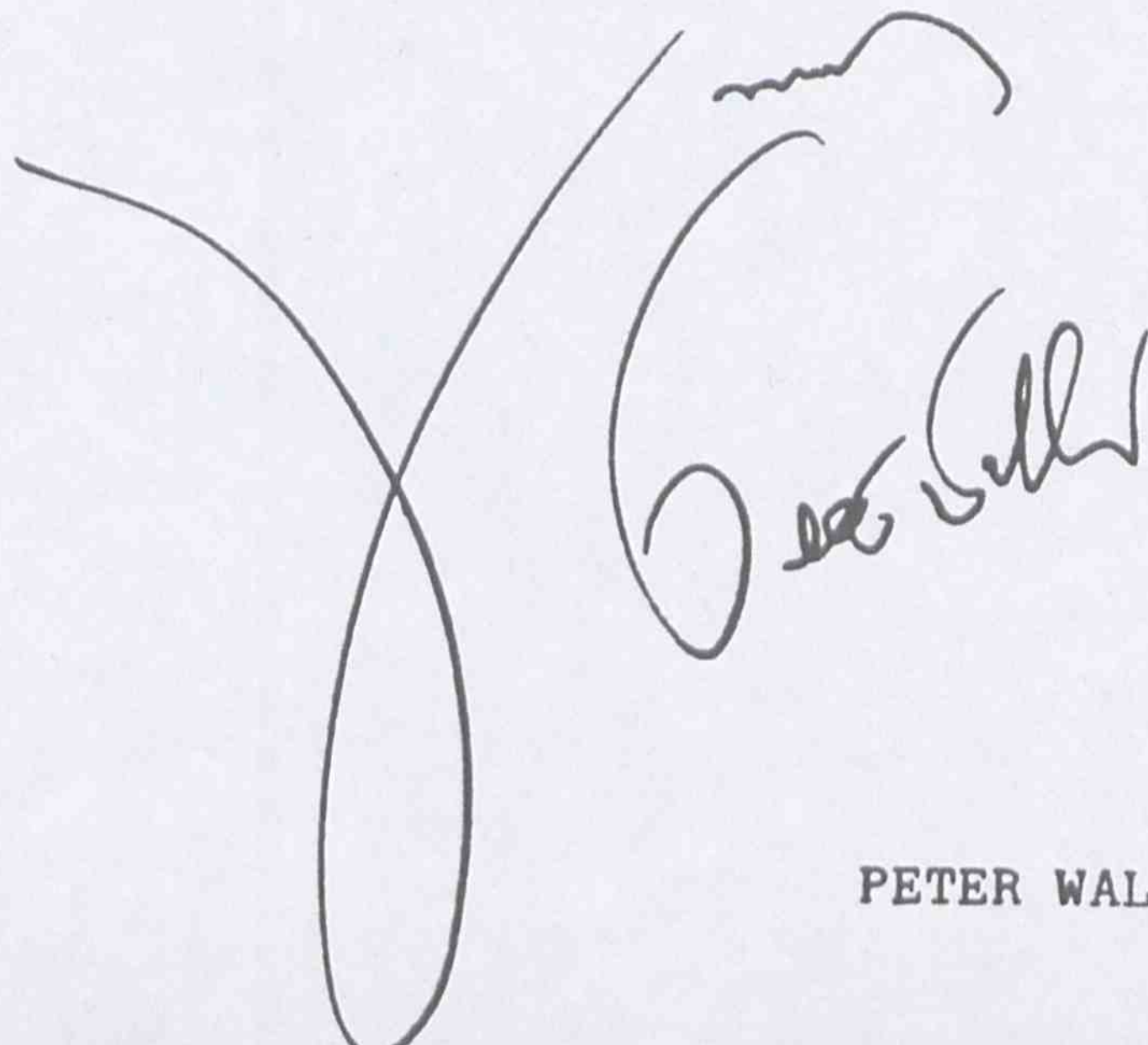
You have expressed concern about the plight of your children because of the deduction from social security of amounts deemed to be equivalent to strike pay. I hope you will both ask your husbands why it is they have not paid strike pay in order to help the children concerned. Why have your husbands decided that it is better to spend union funds on paying for mob picketing, when that method of picketing is not only against TUC

guidelines but also against the traditional practice of the National Union of Mineworkers.

You both know that if your husbands had decided to call for a national ballot of miners at the beginning of this dispute, and if the majority of miners had shared their views and voted for industrial action, then not one member of the NUM would ever have crossed a picket line. All you would have needed would have been one picket at each pit. The money that has gone in to organising mass pickets could have been given to the wives and children of striking miners. Your husbands did not do this. A third of the miners rejected your husbands' methods and had a ballot, and you know that these voted by more than two to one against strike action.

The actions of your husbands are certainly damaging mining communities. Principally the violence has adversely affected miners and their families. Coal faces that would have produced good jobs for the future have been destroyed. All of this has happened during a year when, if your husbands had not taken this action, miners' pay would have been good, £700 million of new investment would have taken place in the industry, and a thousand industrial firms would have converted to coal. Several thousand miners would have happily retired in their mid 50s to enjoy an early retirement on the most generous terms. That was the year which would have been possible. The year that your husbands have created has been a year of the union's funds being wasted, miners being plunged into debt, miners' children suffering and mining communities being deeply divided.

My deepest sorrow is for the families of those men who are denied work by intimidation and violence. You can be assured that when this damaging and unnecessary dispute has ended, I will be doing all in my power to get this industry back on its feet and to see that miners' families are restored as quickly as possible to a state of happiness and confidence. I only hope that the National Union of Mineworkers will have a leadership which will be collaborating in this task.

A large, stylized handwritten signature in black ink, consisting of a large loop on the left and a more complex, cursive-like structure on the right.

PETER WALKER

CONFIDENTIAL



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

cc'd to
B/F into Treasury
in response

AT
13/4

13 November 1984

Dear Andrew

COAL FIRING SCHEME

In his minute to the Prime Minister of 13 February, my Secretary of State referred to his intention to review the Coal Firing Scheme before the end of this year. In your letter to me of 20 February you recorded the Prime Minister's wish that there should indeed be such a review to see whether the Scheme remained a cost effective response to the problem of surplus coal production.

Under normal circumstances we would now be embarking on this review. However, the situation arising from the coal strike makes it impracticable to carry out the review sensibly at the moment. To reassess when coal supply and demand are likely to be brought back into balance we need to see both the end of the strike and at least an initial assessment of the future from the Coal Board in the light of the situation then. For conversions it will of course be the supply/demand balance after restocking that matters, rather than the position in the months immediately succeeding the strike. Meanwhile new applications and commitments under the Scheme have naturally fallen away and the existing commitment limit is not under pressure.

In the circumstances my Secretary of State proposes that the review be now deferred for, say, 6 months. If the obstacles to a sensible review remain then, he will write again. Meanwhile we would make it clear in low key, without making a formal extension, that the scheme was not being closed for the present and that any applications which were made within the present commitment ceiling would be accepted for examination.

I am copying this letter to Callum McCarthy (DTI) and Richard Broadbent (Treasury).

*Yours sincerely
M F Reidy*

M F REIDY
Private Secretary

CONFIDENTIAL

Coal: NAT. IND. Pt 14.



13 MAY 1954

10 11 12 1 2 3 4

COAL: NAT. IND.

Coal: NAT. IND.



File

10 DOWNING STREET

Prime Minister (2)

I don't agree that the time
has come to switch from the
canon to the stick. The
back pay card is the
next one to play.

Withdrawing the job
guarantee and the redundancy
terms would represent a
major change of course
by NCB / Government. It
should not be undertaken
other than as a last
resort.

AT

I agree with
you

13/11

mf

SECRET

39

MR TURNBULL

13 November 1984

COAL DISPUTE

Next Monday is the last day for strikers to return to work and still qualify before Christmas for the £1,400. Although the return to work will still continue after this date, the rate is likely to fall off for a while. We must therefore ensure that the maximum number return over the course of this week, and particularly next Monday.

Ministers could consider statements along the following lines:

"We believe the NCB has done all that is humanly possible to try and reach an agreement with the NUM, in fact, if anything we believe Mr MacGregor has gone too far. Mr Scargill boasts that he has not moved an inch. Many former strikers have recognised that far from securing the continuance of their jobs in the mining industry, this strike is having exactly the opposite effect, and for that reason they have had the courage to brave the violence and return to work. We hope this return to work will continue.

The lengthy strike is causing inexorable geological destruction of faces and whole pits. Regrettably this, together with lost markets for coal sales, must at some stage make it impossible for the NCB to continue to guarantee that no striker will ever face compulsory redundancy. Indeed, the NCB may also have to question whether the redundancy terms - surely the most generous ever offered to any group of workers anywhere - can still be afforded given the financial damage inflicted by the strike".

SECRET

SECRET

The time to put this message out is now, so as to maximise the numbers returning. It will no doubt be hailed as a threat, but as this whole strike is about economic reality, the answer to that accusation is again economic reality, and to ask what realistic alternative our opponents have.

Peter Warry

PETER WARRY

SECRET

Prime Minister (2)

38

Daily Coal Report - Tuesday 13 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	12	-
(iii) Some men present	49	-
(iv) On strike/picketed out	68	-

Ellington (North East), Celynen South (South Wales), Ledstone Lock, Houghton Main and Cortonwood (Yorkshire) have moved from category (iv) to (iii).

The Coal Board have this evening issued the following briefing:-

"A total of 920 ex-strikers returned to work today.

This is 483 more than last Tuesday which was the highest for that day during the NUM dispute.

So far this week 2910 miners have returned - 709 more than all the men who came back throughout last week.

Since Monday 5 November, 5111 men have ended strike action and returned to work.

The number of pits producing coal is 58 - an increase of 2 so far this week: Markham colliery in Derbyshire and Monktonhall colliery in Scotland.

Miners are working at an additional 68 collieries where coal production has not yet began.

NUM members are, therefore, working at 126 of all the 174

collieries - 6 more than yesterday (Monday).

The National Coal Board confirm that more than 56,000 (about 30 per cent) of all members of the National Union of Mineworkers in the coal industry are not on strike.

Our latest records (for September 1984) show that the total number of NUM members in the industry is 189,000 - and this includes 178,000 miners and other coal mining industrial workers.

NUM members are the largest group among all the 222,000 employees in the industry. Of those 222,000 employees, 88,000 are working."

Scargill claimed this afternoon that there had been no material change in the situation, and that some miners had rejoined the strike.

Coal Movements

165,000 tonnes were moved yesterday - the same figure as for last Monday.

23 coal trains ran.

Law and Order

The violence was on a lesser scale than yesterday.

However, more than 40 police were hurt at Frickley pit (Yorkshire). Some 600 pickets built barricades and stoned the police. Petrol bombs were thrown, but fortunately none ignited.

12 arrests were made following clashes in South Wales.

Bishops Condemn Violence

Roman Catholic Bishops of England and Wales today issued a statement calling for the end to violence and a return to negotiating procedures.

High Court

The Irish High Court has ruled that money belonging to the Derbyshire NUM should not be frozen along with other NUM funds. Reportedly some £700,000 of the £2.75 million frozen in Dublin belongs to the Derbyshire area.

Line to Take

Over 5,000 miners have returned to work over the last week, including many in Yorkshire. Ordinary decent miners now recognise the futility of supporting union leaders whose only interest is political confrontation. They recognise that the Coal Board's offer is a generous one. They are beginning to put their families' interests above those of Arthur Scargill.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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



MS

10 DOWNING STREET

Prime Minister ②

You raised the request of NCB's deficit grant earlier today. I cannot trace any Policy Unit advice on this.

Over the weekend we showed you Mr Walker's letter to the CST and the latter's reply. CST accepted inevitability of raising limit on deficit grant and of seeking a Supplementary Estimate. These are largely formal actions required by legislation and Parliamentary procedure.

The policy questions arise on the setting of the EFL which, if agreed, should be reviewed after the strike. Issues such as the sale of subsidiaries will come up then.

MS

AT

13/11



10 DOWNING STREET

Note for the Record

I spoke to Mr Butcher
along lines of this minute.
He accepted this explanation
without taking offence. He
did not respond on other of a
meeting with Mr Walker.

AT

13/4

Chris Butcher
96 Dovecroft
New OVERTON
Newark
Notts

Manstield 862 994

SECRET

3

①

PRIME MINISTER

MEETING WITH WORKING MINERS

I raised with you Mr. Chris Butcher's request for a meeting. As you will see from the attached minute, Mr. Walker's advice was strongly against agreeing to such a request. You, however, were reluctant to say 'no' and suggested meeting Mr. Butcher and the Working Miners Committee separately.

I have put this idea to Mr. Walker, but he still recommends strongly against seeing any of the working miner groups at present. He believes seeing just Mr. Butcher would create more trouble than it is worth, at a time when things are running in favour of the working miners. The Working Miners Committee are currently engaged in tricky negotiations with the NCB to find a way of accepting the pay increase and back pay. They do not think meeting you would be helpful at present.

Mr. Walker has suggested that you could deflect Mr. Butcher's request in the following way:-

- (i) You stand fully behind the cause of the working miners, e.g. Guildhall speech;
- (ii) You do not want to become a source of dissension within the working miners cause, particularly when things are going well and unity is essential. You think it would be better for working miners generally if you did not meet any single group unless you could meet them all;

(iii) You understand that the Working Miners Committee are in negotiations with the NCB and that, as a result, they do not think a meeting with you is appropriate;

(iv) In these circumstances you hope Mr. Butcher will understand and will not press his request. This should in no way be taken as a sign of lack of support on your part, but a judgement about what is best for the working miners movement;

(v) Should he wish to have a further meeting with Mr. Walker that could be arranged.

(vi) when the strike is over - I will have all
Agree I speak to Mr. Butcher on these lines? *yes if walking
miners then
I will do*

AT

No. 10

not

12 November 1984



SECRET

36

P.01428

PRIME MINISTER

MISC 101(84)47th Meeting: Coal

You will wish to invite reports from:

- i. the Secretary of State for Energy on
 - the return to work
(today's figures have, as you will know, shown a further marked acceleration compared with last week)
 - coal movements
 - the problems at the West Thurrock power station
(this had to be taken out of the grid last Thursday because of sympathetic action by TGWU power station workers who have been refusing to use oil in substitution for coal; CEGB are not too concerned because we can do without West Thurrock for the time being and there are coal stocks there which will enable it to be used on a normal coal burning basis at the winter peak; it would however be more serious if similar action was taken at other stations where oil is being substituted for coal, for example at nearby Tilbury)
- ii. the Home Secretary on
 - the latest outbreaks of violence, particularly in South Yorkshire
- iii. the Attorney General on
 - what steps are now open to the courts in respect of the NUM's funds.



SECRET

2. You may like to pursue in discussion the question of how the pressure for a return to work can best be sustained after 19 November. What financial incentives will remain, and how can they best be exploited?

Next meeting

3. There will be an opportunity for a further discussion under the Industrial Affairs item at Cabinet on Thursday 15 November. The next meeting of MISC 101 has been arranged for Tuesday 20 November at 10.45 am.

PLG

P L GREGSON

12 November 1984

SECRET

SECRET

Copy No 1 of 4



ccJR

35

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

12 November 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the weekly commentary on the endurance position and the statistical note on coal stocks.

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

*Yours
John*

J S NEILSON
Private Secretary

SECRET



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week were 0.73mt (including non-NCB sources) the highest level since the strike began. Oil burn also reached the highest level achieved so far. Coal burn was 0.62mt and stocks rose by 0.11mt. The Board's stocks last Sunday night (4 November) were 14.75mt with a further 0.84mt at Scottish power stations.

2 Total NCB deliveries last week were 0.94mt of which about 0.24mt 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 0.50mt per week. The average over the past eight weeks has been 0.70mt.

4 The CEGB have recently remodelled the endurance of the system in the light of recent experience. The CEGB's estimate of the range of endurance outcomes is as follows:-

<u>Future usable coal deliveries</u>	<u>System Endurance</u>	
	<u>90% Oilburn</u>	<u>100% Oilburn</u>
0.30mt/week	early Feb	early March
0.35	mid Feb	early March
0.40	late Feb	mid March
0.45	early March	end March
0.50	-	Autumn 1985

Department of Energy

9 November 1984

Copy No *1 of 14*
9 November 1984

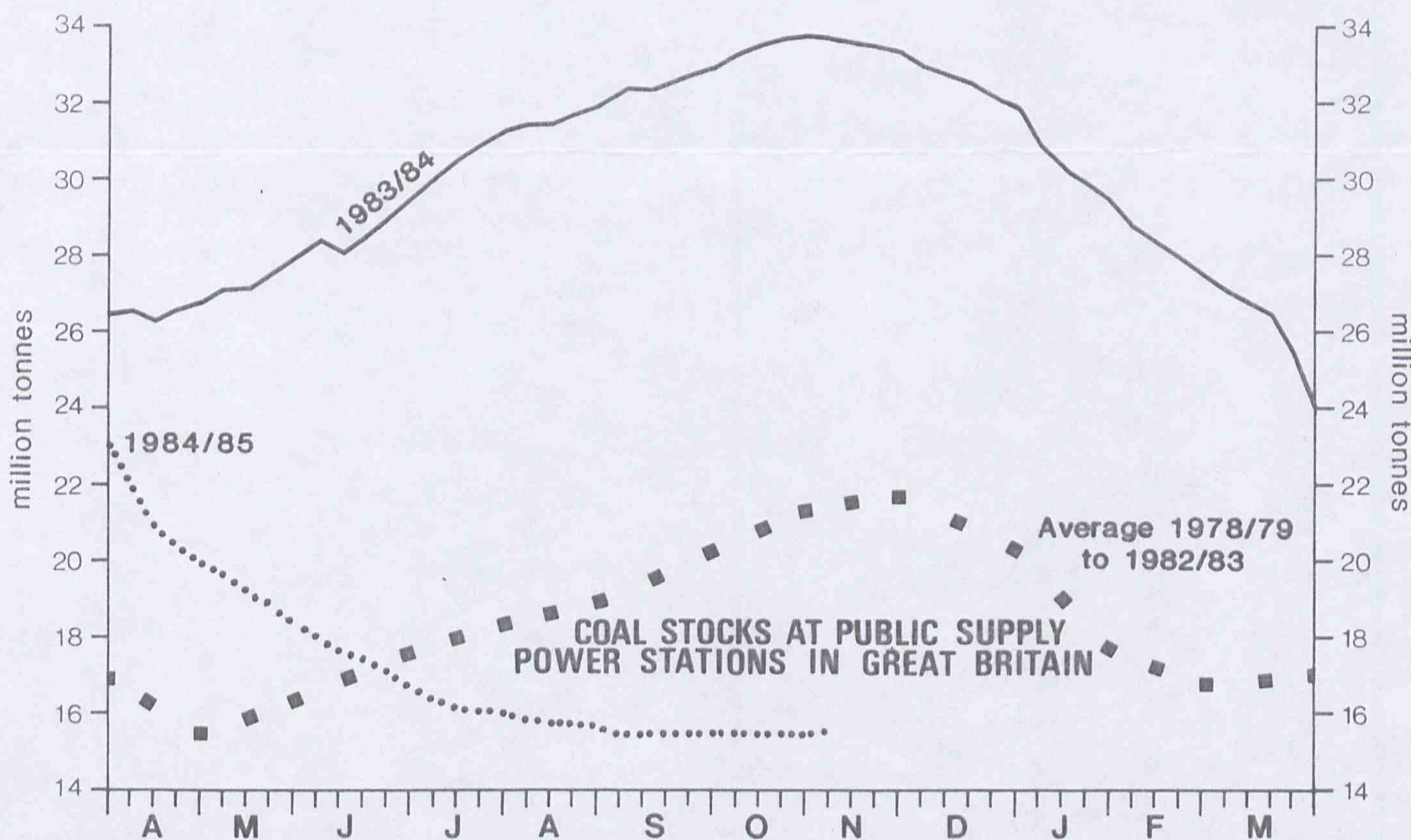
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 5-11-83: 13-10-84 20-10-84 27-10-84 3-11-84

COAL	PRODUCTION	deep mines+	1.98 :	0.53	0.56	0.55	0.56
	(m. tonnes)	opencast+	0.33 :	0.31	0.30	0.31	0.28
		TOTAL	2.30 :	0.84	0.86	0.86	0.85
COAL	PRODUCTIVITY(2)	'overall' o.m.s	2.38 :	2.37	2.39	2.43	..
	(tonnes/manshift)	'production' o.m.s	9.97 :	11.33	11.45	11.57	..
UNDISTRIBUTED STOCK							
	(m. tonnes)	TOTAL	24.54 :	21.92	21.81	21.63	21.69
STATIONS	COAL STOCKS	(m. tonnes)	33.55 :	15.52	15.52	15.48	15.60
	COAL CONSUMPTION	"	1.70 :	0.73	0.73	0.73	0.62
	COAL RECEIPTS	"	1.61 :	0.68	0.73	0.69	0.73
STATIONS	OIL STOCKS(3)	"	1.42 :	1.23	1.17	1.15	1.19
	OIL CONSUMPTION(3)	"	0.05 :	0.49	0.55	0.56	0.59
	OIL RECEIPTS(3)	"	0.06 :	0.56	0.64	0.45	0.57
POWER	ELECTRICITY SUPPLIED (4) (Gwh)		:				
	Nuclear	"	725 :	838	783	791	851
	Other Steam	"	3,952 :	3,612	3,715	3,822	3,714
	TOTAL	"	4,677 :	4,450	4,498	4,612	4,565
	TOTAL - temperature corrected	"	4,741 :	4,484	4,582	4,585	..

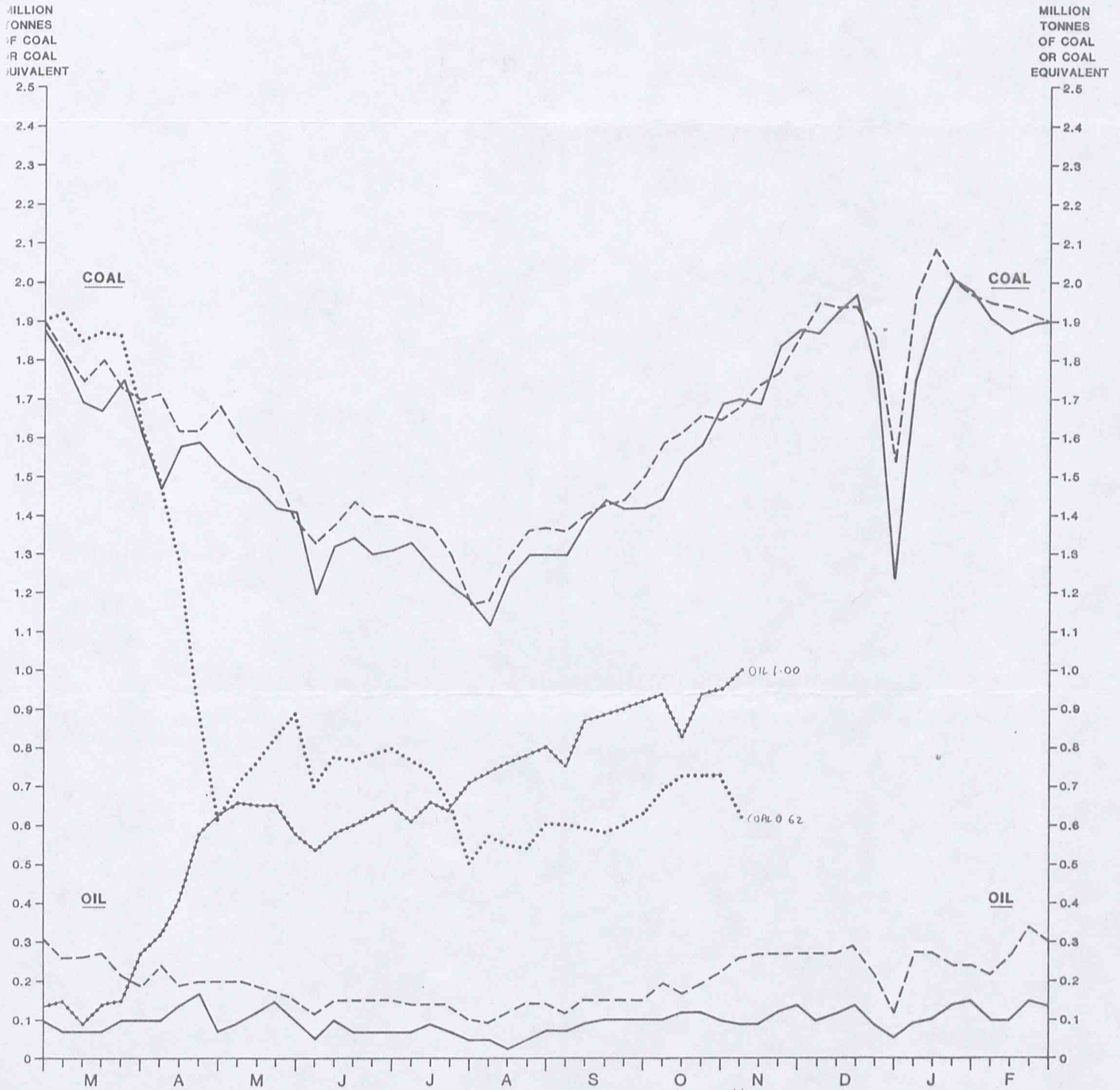
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



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

Key

- COAL } March 84 to February 85
- OIL } March 84 to February 85
- March 83 to February 84
- Average 1977/78 to 1981/82



Daily Coal Report - Monday 12 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	12	-
(iii) Some men present	44	-
(iv) On strike/picketed out	73	-

By early evening the Board were claiming that a further 1900 men had reported back today bringing the total number who have returned over the last 8 days to more than 4,000. (This compares to a previous drift back of some 6,000 over the previous 8 months).

There were record attendances in all areas today.

In Scotland the number reporting on the morning shift, compared to Friday, rose by 200 to 671.

In Yorkshire over 350 men returned this morning bringing the morning shift figure to 614 and striking at the NUM's most sensitive nerve. These numbers included 120 at Manton pit, 70 at Shireoaks, 52 at Denby Grange and 46 at Kellingley. In all men were present at 33 Yorkshire pits. Despite the violence in the surrounding area (see below) the number reporting at Cortonwood rose to 4.

In North Derby Markham colliery started turning coal again. Once again the most substantial increases in attendance took place at pits in this area.

In Wales the number of men reporting at Bersham (where the ballot took place last week) rose from Friday's 77 to 130. There were also 38 men at Cynheidre and men in at 5 other pits.

Coal Movements

A record 954,000 tonnes were moved last week of which 674,000 went to the CEGB.

172 coal trains ran.

Law and Order

The worst violence of the dispute occurred last night in South Yorkshire. By 3.30 am two police stations had been attacked and as the night went on there were incidents of looting, petrol bombing and attacks on NCB staff. 31 police officers were injured. There were more than 30 arrests. The police said later that the violence had been co-ordinated throughout the county. Scargill later blamed the police for the rioting, claiming that they had intimidated striking miners.

There were also disturbances outside pits in South Wales, with reports of cars overturned and arrests.

High Court

Scargill and NUM secretary Heathfield have been ordered by the High Court to pay personally a £5706 legal costs bill. This arises from the court action in July which led to a ruling that the NUM rule change introducing the so called "Star Chamber" disciplinary tribunal was illegal.

A Nottinghamshire miner and 15 other miners opposed to the strike have issued new High Court writs against the NUM. One writ seeks to make the NUM's National Executive personally liable for repaying national funds spent on the strike. Another asks the court to remove from office the trustees of the union's funds, and to appoint a receiver to hold the union's property.

SECRET AND PERSONAL

The Irish High Court has ruled that cash deposited by the NUM in the Irish Republic should remain frozen for a further month.

Line to Take

The surge back to work is accelerating. In just 8 days over 4,000 men have returned. They have much to gain: by reporting at collieries this week, miners have the opportunity to earn by Christmas up to £1,400 in weekly pay, holiday pay and allowances.

The NUM's national leadership bear a heavy moral responsibility for the appalling violence and destruction which took place in Yorkshire last night. Mining communities can register their disgust by returning to work as quickly as possible.

Distribution: Members of MISC 101, Paymaster General
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL

Coal file
ce

~~TR~~
Press office

Extracts from a speech by Rt Hon Leon Brittan QC MP, Home Secretary, to the Yorkshire Area Young Conservatives' Conference at the Windmill Hotel, Leeds on Saturday 10 November.

Release Time: 3.00 p.m., Saturday 10 November

The miners' strike has clearly begun to crumble. The faster that process continues, the better for all concerned - not least the striking miners themselves.

When it comes, the end of the strike will not just mark a triumph of common sense over extremism. It will also mark a triumph of the rule of law over violence.

The challenge to the rule of law in Britain has never been so great or so direct as during this dispute. It has been clear from early on that the stakes could not have been higher. The miners' leaders avoided the ballot. They barely attempted persuasion. They preferred force. They scorned the law. They abused the courts. They vilified the police. And they have even consorted with a terrorist regime overseas. But the very nakedness of the challenge to the rule of law has meant that the triumph of the law is all the more significant and its effects likely to be all the more lasting.

The miners' mass pickets posed the biggest single challenge to public order policing since the War. If their tactics had succeeded, the Nottinghamshire coal field would have been shut by force at the beginning of the strike. Coke works, steel works and power plants would have been brought to a halt. And, no matter how long the strike continued, no matter how great or senseless the hardship suffered, miners wishing to return to work would have been physically prevented from doing so.

That did not happen - because the police stopped it happening. They stopped it because the use of force to stop people from going to work is a criminal offence. The police showed that locally based police forces could respond effectively to a national challenge and do so in the biggest single policing operation in this country, involving, on occasion no fewer than 8,000 police officers. The police have inevitably not always been able to prevent intimidation or to detect those responsible for it. Nor, in spite of their carrying out over 7,600 arrests, have they been able to bring to justice everyone who has committed a criminal offence. No-one could reasonably have expected otherwise. But what the police have been able to do through skill and courage and against the expectations both of the pickets and of many others too is to ensure that all those wishing to go to work have been able to do so.

From the Government the police have received total support in the face of a wave of malicious and irresponsible allegations fuelled by Labour politicians and others. And the cost of policing the dispute is being met to an unprecedented degree by central government. But it is to the police, themselves, as servants not of the Government but of the law itself, that credit must ultimately go for upholding the basic freedoms of working miners and their families.

The rule of law has prevailed because the police would not bow to violence. And it has prevailed too because the courts will not be intimidated.

To the extremists who lead the NUM the judges are "scabs" and their law is just a weapon of class warfare. But for the rest of us the law and the courts are what stands between democracy and tyranny - whatever form tyranny may take.

With the assistance of 9 extra stipendiaries appointed for the purpose, the courts are now clearing the backlog of cases from the dispute. So far over 50 people have received immediate

custodial sentences. The most serious offences have still to come to trial. But already it is clear that justice will not be mocked and that the rule of law will not be suspended to accommodate the interests of those who flout it.

Whether the miners' strike will prove the last dispute in Britain in which mob violence is used for political ends, it is, as yet, too soon to be sure. But the lesson for those who are tempted to flout the law for their own purposes and for those who lend comfort to them is already crystal clear. It is that the courts, the Government and the people are determined to ensure that the rule of law will prevail.

"Law and Order" Material for your speech

You asked for some background documents from the Home Office. Attached are

(1) Home Secretary's speech last night on public confidence, law and order* : The key facts are

(a) 9,000 extra pdws over the last five years
(b) tougher sentences being served (not given, because that is for the courts). For those who commit the worst murders, life can now mean life.

(c) 14 new prisons planned or ~~are~~ under construction

(2) Home Secretary's speech tonight on the miners' dispute
You will find helpful the passages at the top of page 2 and at the bottom of page 2 / top of page 3

(3) An internet submission leading to a letter to the Daily Telegraph concerning a misleading Gallup Poll published in that paper on Nov 5th. Key points are

(a) the best available estimate (from information supplied by the public) suggests that fewer than one person in 60 is the victim of a robbery or theft from the person in any year, not one in eight as Gallup suggests

(b) burglary rates in the U.S. are twice those here

(c) there were methodological flaws in Gallup's work which calls into question all their conclusions

* not, apparently, much picked up by the press

(4) An extract from the statistical summary concerning
the dispute, produced to the Home Secretary weekly. The
key points are: (as at 6 November unless stated)

- (a) 7,700 + arrests up to last night
- (b) 55 sentenced to custody (and 32 suspended)
almost 500 - to fines of £100+
- (c) 3,400 cases dealt with
almost 3,300 cases outstanding, including many of the worst offences
- (d) Over 1000 police injured

We shall let you have ^{separately} a draft paragraph for your speech,
dealing with public order issues.



N. A. PAWTLINE

Private Secretary to the
Home Secretary.

10-11-84

EXTRACTS FROM A SPEECH BY THE RT HON LEON BRITTAN, QC., MP., HOME SECRETARY
TO THE RICHMOND (YORKS) CONSTITUENCY CONSERVATIVE WOMEN AT NORTHALLERTON ON
FRIDAY, 9 NOVEMBER 1984

RELEASE TIME: 3.00 P.M., FRIDAY, 9 NOVEMBER 1984

PUBLIC CONFIDENCE AND LAW AND ORDER

Since my appointment as Home Secretary, my top priority has been to reinforce public confidence in the criminal justice system.

Over the years, a wide and dangerous gap has opened up between the views and objectives of many of those responsible for penal policy and the expectations of the broad mass of the British people. It was a gap of knowledge - and a gap of trust. So wide had it become that by the mid-1970s penal policy-making had become paralysed. Policy-makers believed that any initiative, however sensible, to rationalise or improve the system would be caricatured as "soft". And the general public felt, with justice, that their values, beliefs and fears were treated with lofty contempt.

That could not be allowed to continue, and from 1979 a different Conservative approach began to be felt.

What I have sought to do since assuming office in 1983 has been to further that change in the direction of penal policy.

As a result, successive opinion polls have confirmed that the general public have new-found confidence in the criminal justice system. Their approval of our policies has been clear and consistent. They know that this Government will react swiftly and strongly to threats to law and order - whether from terrorists, from pickets, or from professional criminals. They know that there will be no no-go areas in Britain. They know that the police will receive the fullest support - moral and material - in their difficult job, however strong the malicious criticism levelled against them. Above all, they know that this Government will not shrink from measures required to preserve the fabric of society from the violent men who would tear it in shreds.

The Socialist fog which so long lingered over British penal policy has been finally dispelled.

First, the police.

The increase in police strength of over 9,000 achieved over the last five years is being put to good effect. More officers are being returned to the beat. Bureaucracy is being pruned. Police technical support is being improved. Police resources are being targeted on the worst crimes. The police are being given the powers they need to catch criminals, through the Police and Criminal Evidence Act. And police pay has not been and will not be allowed to fall behind. At the same time, public support for the police is being galvanised. Over 1,500 neighbourhood watch schemes have been set up over the last year.

Second, sentencing.

Tougher sentences are being served by those who commit violent crime. I make no apology for this. Those who commit the worst violent crimes must pay for them - both to deter others and to mark society's abhorrence of deeds which fundamentally assault civilised values. Those who commit the worst categories of murder, including terrorist murder, must now expect to serve at least 20 years in prison. And if they pose a continued threat to society, they will not be released at all. Those who are sentenced to more than five years' imprisonment for crimes of violence or for drug trafficking can now no longer expect to be released on parole. These measures were denounced by a few as reversing the trend of 25 years of penal policy. What they actually have done is to show the Government's belief that if serious crime is not treated seriously, public confidence in the whole criminal justice system could not be sustained.

Third, prisons.

Many minor criminals do not need to go to prison at all - and it is not in their or society's interests to put them there.

But other criminals, particularly violent criminals, certainly do - and must stay there for long periods. So sufficient prison space is needed to contain them. We have accordingly embarked on the biggest prison

building programme this century. 14 new prisons have been built or are planned. This will allow an end to prison overcrowding by the end of the decade.

During the rest of this Parliament, those same policies directed to strengthening public confidence will continue.

The police will continue to receive every support they need. And the new Independent Prosecution Service which we are to set up will allow them to concentrate their efforts on their principal task - preventing and detecting crime.

The Bill to introduce an independent prosecution service will also affect sentencing. It will allow the Attorney General to refer what seem to be over-lenient sentences to the Court of Appeal, so that a proper sentencing pattern can be laid down for such cases in the future. Our drive against serious crime will also be backed up by legislation to increase the maximum penalties for trafficking in heroin and cocaine and for carrying firearms in the furtherance of crime from 14 years to life imprisonment.

The prison building programme is being accelerated. We will soon be announcing our conclusions on the introduction of week-end imprisonment. New arrangements will be introduced to deal with difficult and disruptive prisoners. The benefits of these policies are bound to take time to become apparent. But these achievements and plans show how aware we are that public confidence in the criminal justice system is not to be taken lightly: it must be won - and it must be kept. That is what we are determined to do.

Extracts from a speech by Rt Hon Leon Brittan QC MP, Home Secretary, to the Yorkshire Area Young Conservatives' Conference at the Windmill Hotel, Leeds on Saturday 10 November.

Release Time: 3.00 p.m., Saturday 10 November

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From: D. E. R. Faulkner
7th November, 1984



RES/84 501/13/14

c.c. Mr. H. Taylor ✓
Mr. Webber
Mr. Bohan
Miss Maurice
Mr. Mower
Mr. R. Harris
Mr. Jeffrey
Mrs. Tuck
Mr. Hough (RPU)

*SAD - to Mr
I think a response as usual
was in a good way*

Mr. Davidson

INTERNATIONAL CRIME COMPARISONS

*Yes (A good interview, approved by
OM is good? [initials])*

Ministers have asked if they could have an analysis of the victimisation study reported in Monday's Daily Telegraph (copy attached), which claimed to show that Britain headed the 'Euro Crime Table', and if they could have a suggested line to take.

2. Both the comparisons and the figures for individual countries are misleading and unreliable. The 'crime table' is constructed from responses to just three questions asked in more than a dozen languages; their interpretation will have varied widely from country to country - a problem which remains even when countries share a common language. The poll's results are contradicted by more detailed and thorough surveys which have been made both in this country (principally the British Crime Survey) and in some of the other countries concerned. For example it is clear from the British Crime Survey and the U.S. National Crime Survey that burglary rates in the United States are roughly double those in Britain; this must cast serious doubt on the finding that their rates for "home broken into" and "robbery" are significantly less than ours.

3. The figures themselves are equally suspect. For example, respondents questioned about "robbery" were asked whether they or other household members had had money or property stolen from them. Victims of any theft, however trivial, and the relatives of any such victims, will give positive replies to the question; only a fraction of these will be victims of robbery or theft from the person. The British Crime Survey showed that only 1.5% of the population aged 16 or over were victims of robbery in the last year. There are other difficulties of definition as well - whether "home broken into" includes break-ins to garages or outhouses; whether "personal assault" includes domestic violence or fights between friends and acquaintances, and so on.

4. Mr. Mellor may wish to set the record straight by writing to the Daily Telegraph on the lines of the attached draft.

RECEIVED BY
- 7 NOV 1984
PRIME SECRETARY

DLF

7th November, 1984

PERSONS ARRESTED BY CATEGORISED OCCUPATIONS

APPENDIX A

<u>NUMBER</u>	<u>OCCUPATION</u>
7,045	Miners
5	Retired Miners
4	M.P.s (including MEP)
14	Transport Workers incl. Coach driver H.G.V. driver Railway Worker
53	Students in Academics School/College Students/Lecturers
5	Medical Workers incl. Nurses Hospital Workers
25	Non Manual Workers incl. Planning Officer Community/Social Worker Clerks
164	Manual Workers incl. Construction Workers - Welder Labourers - Electrician Refuse Collector- Builder Industrial Worker
11	Servicemen Royal Navy - Fire Service
37	Housewives
145	Unemployed
2	Retired (Non miners)
8	Female (Other)
61	Not known/Given

7579 as at 6 November
7714 as at 10 November

NUMBERS OF ARRESTS BY TYPES OF OFFENCE

	<u>NUMBERS</u>	<u>OFFENCE</u>
1.	3264	Section 5 Public Order Act 1936 (behaviour likely to cause a breach of the peace)
2.	1525	Obstruct Police
3.	582	Obstruct Highway
4.	724	Criminal Damage
(a)	4	Criminal Damage with Intent to Endanger Life
(b)	10	Arson
5.	263	Assault on Police
6.	293	Assault - Actual Bodily Harm
7.	34	Assault - Grievous Bodily Harm
8.	137	Theft
9.	17	Resist Arrest
10.	38	Offensive Weapon
11.	226	Conspiracy and Protection of Property Act - Besetting
12.	17	Burglary
13.	1	Handling Stolen Property
14.	1	Drug Offence
15.	117	Breach of the Peace
16.	28	Breach of Bail Conditions
17.	17	Attempt (Various Offences)
18.	56	Drunkenness
19.	507	Unlawful Assembly
20.	17	Railway Offences
21.	21	Affray
22.	137	Riot
23.	1	Incitement
24.	14	Reckless Driving
25.	12	Threats/Conspiracy to Cause Damage
26.	3	Explosives Offence
27.	3	Threats to Kill
28.	2	Unlawful Imprisonment
29.	123	Other Offences

Total of arrests exceeds number of people arrested because of "double counting".

COURT SENTENCES IMPOSED

<u>NUMBER</u>	<u>SENTENCE</u>
7	Remand in Custody
47	Custodial Sentence - [Longest sentence 9 Months]
6	(a) Detention Centre [Maximum 6 months]
2	(b) Youth custody Order [Maximum 6 months]
9	Detained in Police Custody - [1 day]
32	Suspended Sentence - [Longest sentence 6 Months]
	<u>Fines</u>
6	Under £10
117	£10 - £24
210	£25 - £49
283	£50 - £74
401	£75 - £99
310	£100 - £149
66	£150 - £199
118	£200 and above
5	Community Service Order [80 hours]
2	Probation Order
248	Conditional Discharge/Absolute Discharge
740	Bound Over to Keep the Peace
590	Acquitted
3276	Court Bail



PARLIAMENTARY UNDER
SECRETARY OF STATE

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

7 November 1984

Dear Sir,

I am writing to correct some misleading aspects of your article on 5 November under the heading 'Britain heads the Euro crime table'.

I do not criticise Gallup International for trying to compare the extent of crime in many countries. Crime is an international problem and we can learn from others' experience. The trouble is that you cannot make satisfactory comparisons on the basis of three questions put in more than a dozen languages about poorly defined kinds of offence. If you do, the results are likely to measure differences of interpretation rather than crime levels.

Let me give an example. Firmly based crime surveys in Britain and the United States of America have shown burglary rates there to be about twice what they are here. The article's suggestion that a slightly higher proportion of people had their homes broken into in the United Kingdom than in the USA will therefore come as a surprise to the US law enforcement agencies. I do not think they will believe it either.

Your article further implies that around 13% of the British population are liable to be robbed in any one year. The best available estimate of the risk of an individual being a victim of a robbery or of theft from the person in any one year comes from the British Crime Survey and is 1½%, about one tenth of the figure you quote.

DAVID MELLOR

The Editor

Gallup Poll

BRITAIN HEADS THE EURO CRIME TABLE

BRITAIN is the most crime-ridden country in Europe, according to a special study conducted by Gallup International for *THE DAILY TELEGRAPH*.

People in 13 European countries were asked whether they had been a victim of three crimes in the last five years: home broken into, robbery or theft from themselves or other family members, and personal assault.

The following table shows the incidence of such crimes in Europe in the last five years given in percentage terms:

	Home broken into	Robbery of family member	Personal assault
Britain	16	25	5
Holland	10	30	4
France	17	17	6
Italy	13	22	4
Denmark	12	21	3
Spain	10	19	6
Switzerland	7	25	2
Sweden	6	24	3
Ireland	9	20	3
Norway	6	20	5
West Germany	7	15	2
Greece (Greater Athens)	5	12	2
Belgium	4	10	2

Gallup International also asked the same questions in nine other countries around the world and the results were:

	Home broken into	Robbery of family member	Personal assault
Columbia*	33	49	18
Brazil	19	34	7
South Africa (whites)	17	29	4
Canada	13	24	4
U S A	14	16	2
Uruguay	12	12	2
Turkey	6	10	8
Korea	6	14	3
Japan	3	6	1

* Rural Indian population excluded.

In Europe, Britain, therefore, is second to France on house breakings, second to Holland on robberies or thefts, and second to France and Spain on personal assaults. However when the three crimes are totted up together, Britain heads the league.

Age pattern

Even when ranked against all the other countries worldwide in the survey, Britain comes behind only Colombia, Brazil and South Africa in the ranking for crimes.

In Britain, analysis by age shows a distinct pattern with younger adults, in particular, being most vulnerable.

Among those aged 18-34, for example, 32 per cent had had money or property stolen from themselves or a member of their household, 19 per cent had had their home broken into, and 9 per cent had been personally assaulted physically.

People in all the countries were also asked whether they had been a victim of any of the crimes in the last year.

The rank order of countries was similar to the previous question with Britain and France heading Europe, but still behind Colombia, Brazil and South Africa.

In Britain, 13 per cent of the general public had been robbed in the last year, 7 per cent had had their home broken into, and 2 per cent had been personally assaulted. The figures for younger adults were 18 per cent, 9 per cent, and 4 per cent respectively.

The interviewing for this study was conducted in August and September, with approximately 1,000 adults in each country. In each case the samples were nationally representative unless otherwise indicated.

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CCNO

Treasury Chambers, Parliament Street, SW1P 3AG

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

9 November 1984

Dear Secretary of State

NCB DEFICIT GRANT

Thank you for your letter of 29 October.

I agree that the order under the Coal Industry Acts to increase the current limit on deficit grant should be placed as soon as convenient.

I also agree with your conclusion that we should seek a Winter Supplementary Estimate to increase the deficit grant payable in 1984-85 by £607 million. As you say, we shall need to look at the possibility of fresh legislation in the New Year.

On balance, I agree it would not be sensible to increase the NCB's external financing limit until after the strike. It will, however, be important to have a rapid review of their finances then so that the normal financial control framework can be restored. There is no reason to ease up on looking for cash savings in this financial year now. Two areas where we see further scope are:

- (a) Cutting back on new investment (i.e. beyond the natural shortfall that has occurred as a result of the strike). There is an ideal opportunity here to weed out the kind of doubtful investment of which the MMC was so critical. One could make a point of leaving new mines, such as Selby and Asfordby, untouched.
- (b) Sales of assets. Given the Board's dire financial straits, it seems reasonable to press them for further sales even if the market is not ideal. Their Australian mining interests and non-operational land holdings are two obvious areas.

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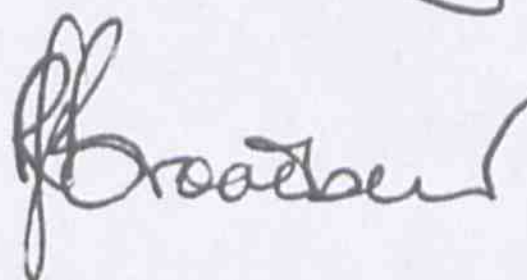
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I understand that the NCB will shortly be considering what export orders to take for 1985. Until we are clearer about the requirement for post-strike restocking, I think it would be unwise for them to get committed firmly beyond keeping a small, say 2mt presence in the market. It would be ludicrous in financial terms to find ourselves having to increase coal production, which we would rather have run down, to meet loss-making export orders.

As you say, the public presentation of these steps on deficit grant will need careful handling. I should be obliged if the Treasury could be consulted about the terms of any statements.

A copy of this letter goes to the Prime Minister, the Lord Privy Seal, the Chief Whip and Sir Robert Armstrong.

Yours sincerely



for PETER REES

[Approved by the Chief Secretary]

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SECRET

Peter Walker

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MR TURNBULL

9 November 1984

9/11

COAL DISPUTE

The return to work is gathering momentum with a major increase in the numbers returning this week. The conclusion of the NACODS dispute, and the unambiguous statement of no further concessions for the NUM, have been instrumental. The growing realisation that there will be no power cuts this winter (which we must reinforce), Libya, the sequestration of the NUM's assets and the excellent publicity by the NCB of £1,400 nearly tax free that miners could earn before Christmas are all supporting factors.

Scargill's Delegate Conference and provincial rallies look like damp squibs. After initial confusion, the pickets at Esso's Stanwell terminal were rebuffed by the tanker drivers. Short of a mass picket there seems little danger of any further oil supply problems of this type.

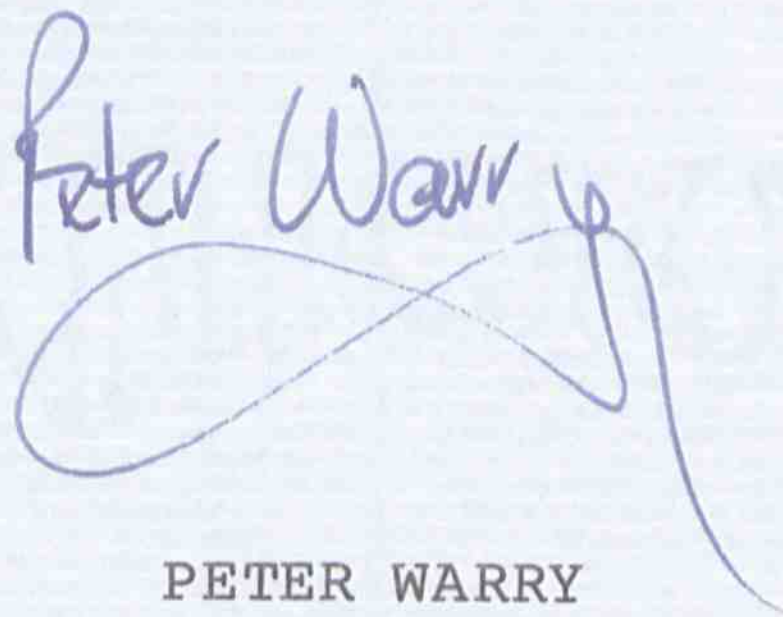
It is essential to maintain the momentum, to create the anticipation of a return to work that is the first stage for a striker making it a reality. The impetus created by so many events crystallising at the same moment is unlikely to recur for many months. We must capitalise on it, even at some risk.

The screw needs to be gradually tightened along the line suggested in previous notes. In particular, there should be regular publicity of faces under threat and their deteriorating condition. Some will have to be closed. The NCB and Peter Walker should start talking about the possibility of withdrawing capital investment promises in non-working areas - much along the lines that Michael Edwardes was successful with in the BL strikes. Guarantees of no compulsory redundancies in non-working areas where pits are facing damage should be brought into question.

SECRET

SECRET

Behind the scenes we need to start work on the 5 year plan
for coal as promised to NACODS. Assuming the strike
continues at least to next spring, we should also start
considering the decisions that we have deferred in British
Steel. Any action here should not endanger power supplies.
Carefully handled, any consequential redundancies could be
used as a further pressure point on the TUC.

A handwritten signature in blue ink that reads "Peter Warry". The signature is stylized with a large, sweeping loop at the bottom.

PETER WARRY

SECRET

SECRET AND PERSONAL

33 2
P. H. Martin

Daily Coal Report - Friday 9 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	11	-
(iii) Some men present	34	-
(iv) On strike/picketed out	84	-

A further 221 men returned today (the day of the week when attendances normally decline) bringing the total for the week to 2203. As the Board pointed out to the media this afternoon this total is more than 6 times greater than last week - which itself was the best week since the strike began in March.

Again the most significant movement back was in North Derbyshire. There were 669 at Shirebrook (286 last Friday), 383 at Warsop (186), 269 at Bolsover (233), 138 at Markham (24), 50 at Whitwell (29), 43 at Arkwright (14), 25 at Renishaw Park (21), 7 at High Moor (4), 4 at Ireland (1).

In Yorkshire the two particular highlights were the increase in attendance at Manton to 64 (12 last Friday) and the bravery of the single miner who for the second day running reported to Cortonwood. A total of 271 reported in the Yorkshire area on the morning shift.

In the North East a total of 89 men reported at 7 pits.

In Scotland numbers on the morning shift rose to 470 with 260 at Bilston Glen (201 last Friday).

In Wales the number of men reporting at Bersham following yesterday's ballot rose to 77.

There were also record attendances in all other areas.

SECRET AND PERSONAL

al Movements

Another good day yesterday: 195,000 tonnes were moved.

35 coal trains ran.

Law and Order

The main trouble today was at Cortonwood where 4,000 pickets gathered. A police van was overturned and set on fire. Police came under attack from a barrage of missiles including air rifles and ball bearings fired from catapults. Four policemen were injured, one of them seriously. There were a number of arrests. The lone miner who braved these mobs is having to be found a new home by the Coal Board since it is too dangerous for him to live near the pit in present circumstances.

Board Statement

The Board's head of communications, Michael Eaton, today hinted that the Board would be prepared to see pits remain closed if militant strikers refused to work with men who had gone back during the strike.

Transport Unions

Press reports tonight suggested that the transport unions and the NUM had agreed to make a further attempt to step up their efforts to block the import of coal and oil for power stations. Their previous efforts have met with little success, despite the reports of some difficulties in getting oil into the (small) West Thurrock power station.

It appears that one specific proposal to emerge from the unions' discussion is that the TUC should lead a delegation to try and persuade the Dutch TUC to prevent movements of coal or oil from Rotterdam.

The CEGB has a stockpile of coal in Rotterdam, but has not sought to import any during the dispute.

High Court Action

The sequestrators appointed by the High Court have reported that they have so far recovered NUM assets worth only £8,178. A further £8.8 million had been transferred to the Irish Republic in a process allegedly started some months ago. Some £2.75 million of this is understood still to be frozen by order of the Irish High Court.

Line to Take

This week's surge back to work by miners in all areas is a massive setback for the militants. Ordinary miners now recognise that Mr Scargill is leading them to disaster. By voting with their feet they can save their industry from the brink.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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

CONFIDENTIAL

- 2 -

Any person who, in any public place or at any public meeting, uses threatening, abusive or insulting words of behaviour with intent to provoke a breach of the peace or whereby a breach of the peace is likely to be occasion shall be guilty of offence.

This widely drawn section of this Act of Parliament continues to be of great use and there is no need to change it. Certain offences have either been called in by the DPP or must be prosecuted by him, such as the explosive offences. The number that are bailed, of course, indicates the number of trials that have been deferred. It is a problem that the NUM/NCB dispute may well have ended before many of these cases will have been tried in Crown Court.

As long ago as August, West Yorkshire Magistrates Courts were bailing miners to come up at Crown Court in January and February 1985.

Couldn't we give more prominence to the number and type of cases and the progress they are making through the legal system?

Available Options in Respect of Picketing and Picketing
Violence

- a) The creation of a criminal offence of unlawful picketing:
Trade union power remains largely uncurbed in this area,
it has not been possible to bring organised mass

CONFIDENTIAL

- 3 -

picketing under full and proper control and this is partly because the criminal law, as presently constituted, is unclear about pickets. Not least, it is still not clear what police powers to pre-empt violence by turning back pickets, can be used. So some favour a new offence (see Document 4).

The Attorney General, the Home Secretary and informally, the DPP (because he has no policy responsibility) oppose this option. We would be seen to be admitting that our step-by-step approach along the path of civil law changes have failed, we might be portrayed as substituting "Tory law" for the "common law of England" in this sensitive area. Although it might make the police's job easier, in the sense of making it clear when the law was breached, we would not be helping them in their difficult job of enforcement. When picketing did occur, and when police failed to arrest the thousands on the picket line, law would be seen to be failing and foolish.

In the case of complete non-compliance by trade unions with the new requirements, we might have a situation in which all picketing was in fact unlawful. On balance, making picketing of a certain number unlawful would be very difficult to enforce and might bring the law into further disrepute. The political consequences of getting a further incursion into the law relating to trade unions wrong would be grave.

- b) To leave the law as it stands: The general criminal law has a complete range of offences against the person and no new ones are obviously needed. The Criminal Law in theory protects the right of every person to go about his lawful daily business free from interference by others. And trade union law, both as set out by Parliament and as understood by the TUC, does not permit anything except peaceful picketing. I include (Document 5) the TUC's own guidelines on their understanding of what is lawful picketing. Consequently, the next option must be to concentrate on the real problem which has, and continues to be, enforcement.
- c) To improve enforcement: Enforcement of the present law has met two practical difficulties. Firstly, the problem of gathering evidence against any individual and, in particular, those individuals who have thrown stones from behind a picket line or who have thrown bricks through windows at night. Secondly, the problem of stopping potential pickets on the way to the picket lines. There are a number of practical proposals that could be made to improve the gathering of evidence both at picket lines and to protect the victims of violence in their homes. It should be emphasised that the proposal is not to interfere with Police discretion but to proceed as the Government did after the Toxteth and Brixton riots in strengthening police equipment.

CONFIDENTIAL

- 5 -

Some Practical Proposals to Supply Equipment to Constabularies (For use subject to Chief Constable's discretion.)

- 1) Further deployment of cameras. Already cameras are being extensively used (see paragraph 6 of Document 2). (Note: In the Red Lion Square Case and two other important recent cases, photographic evidence was critical in securing convictions.)
- 2) The hoisting of cameras on mobile platforms behind police lines so as to be able to photograph stonethrowers from behind picket lines.
- 3) Adopting the new police techniques of closing with picket lines so that stonethrowers from behind will not throw missiles for fear of hitting their own men.
- 4) The computerised processing of photographs taken of violent scenes. Enquiries reveal that such a computer is currently being used by the CIA. The use of high technology to process evidence will be important for the future. The danger is that this approach may appear to be "big brother watching". This could be handled sensitively, and as the public are so incensed about the increase of crime that there could be positive welcome for it.

Victimisation

- a) To ensure, through BACM and NACODS that underground supervision and on-colliery work was so organised that the bullies are disciplined and violence is a sacking offence.
- b) To reduce the level at which criminal compensation for victims of violence is paid. At present the applicants must establish that they would be entitled to civil compensation of at least £400. This threshold could be reduced to £350 for about £8-10 million. The annual current expenditure on the Criminal Compensation Board is about £35 million. Although the Home Secretary is of the view that the Criminal Compensation Board is an area where he tries to find savings, the result is that this excellent scheme has a waiting list of over a year at present, and if miners who are victims of violence apply, they will find an even longer wait. It would seem a kind and good tactical move to do something to improve criminal compensation.
- c) To lend equipment to working miners or others fearing intimidation or criminal damage. The proposal is that newly adapted cameras with a flash attachment could be lent to people fearing violence. These could be erected temporarily on their houses where a beam or other trigger would activate by the movement of an assailant throwing a brick or other missile. This proposal can be adapted

CONFIDENTIAL

- 7 -

both for mining villages and for urban communities. This scheme would have the deterrent effect as well as the advantage of producing the necessary evidence. Cameras have been adapted to some extent in this area, though more scientific work is needed. In particular, cheap versions of the present equipment would be required and the unit would need to be fully protected and out of the reach of attack.

- d) To publicise the rights and redresses for victims of violence setting out his common law rights. Amongst these would be the civil offences that he could use. Particulars of the green form in small cases and legal aid in larger claims. This code would have the advantage of encouraging civil action. The attraction of civil cases in this area is that the defendant may be the NUM rather than the individual.

Conclusion

A public statement on law and order would be timely, though it would have to be interim ahead of the Home Office review on public order. On balance, it is not necessary to have legislation to make unlawful picketing a criminal offence. The use of high technology in the assistance of the police to recover and process evidence would assist law enforcement and should be explored further. The public would welcome some action to demonstrate the Government's concern over the victims of violence on the picket lines and in the

Continued

pit villages. This problem will continue well into next year in the aftermath of the miners' strike.

Hartley Booth

HARTLEY BOOTH

Gallup Roll

BRITAIN HEADS THE EURO CRIME TABLE

BRITAIN is the most crime-ridden country in Europe, according to a special study conducted by Gallup International for THE DAILY TELEGRAPH.

People in 13 European countries were asked whether they had been a victim of three crimes in the last five years: home broken into, robbery or theft from themselves or other family members, and personal assault.

The following table shows the incidence of such crimes in Europe in the last five years given in percentage terms:

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Switzerland	7	25	3
Sweden	6	24	3
Ireland	9	20	3
Norway	6	20	5
West Germany	7	13	2
Greece (Greater Athens)	5	12	2
Belgium	4	10	2

Gallup International also asked the same questions in nine other countries around the world and the results were:

	Home broken into	Robbery of family member	Personal assault
Colombia	33	49	18
Brazil	19	34	7
South Africa (whites)	17	29	4
Canada	13	24	4
U.S.A.	14	16	2
Uruguay	12	12	2
Turkey	6	10	8
Korea	6	14	3
Japan	3	6	1

* Rural Indian population excluded.

In Europe, Britain, therefore, is second to France on house breakings, second to Holland on robberies or thefts, and second to France and Spain on personal assaults. However, when the three crimes are totted up together, Britain heads the league.

Age pattern

Even when ranked against all the other countries world-wide in the survey, Britain comes behind only Colombia, Brazil and South Africa in the ranking for crimes.

In Britain, analysis by age shows a distinct pattern with younger adults, in particular, being most vulnerable.

Among those aged 18-34, for example, 32 per cent had had money or property stolen from themselves or a member of their household, 19 per cent

People in all the countries were also asked whether they had been a victim of any of the crimes in the last year.

The rank order of countries was similar to the previous question with Britain and France heading Europe, but still behind Colombia, Brazil and South Africa.

In Britain, 13 per cent of the general public had been robbed in the last year, 7 per cent had had their home broken into, and 2 per cent had been personally assaulted. The figures for younger adults were 18 per cent, 9 per cent, and 4 per cent respectively.

The interviewing for this study was conducted in August and September, with approximately 1,000 adults in each country. In each case the



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 Mr Sibson
 Mr Webber
 Mr Partridge
 Mr Hilary
 Mr Hazell

Mr Harrington

*Report for Home Office
 Committee - Current.*

PUBLIC ORDER: VISIT TO WEST YORKSHIRE

As you know, Robert Hazell ^{← Chairman of Public Order Review Committee} and I visited West Yorkshire on the Thursday and Friday of last week. The main purpose of the visit was to enable us to see at first-hand, albeit fleetingly, the policing of picket lines in a region which has been the site of some considerable violence on occasion during the dispute. It gave us also the opportunity to discuss with members of the A8(3) forward Planning Unit their visits to this and other police force areas heavily affected by the strike. The A8(3) team, led by Superintendent Gavin Arnold, had received permission from ACPO to make these visits in order to see how the Tactical Options Manual would need updating in the light of the experiences in the dispute. Many of the main features they had identified fell outside that remit and, although aware that they were in a delicate position in which comparisons between forces could damage the Units credibility, they were able to give us some very useful background information at a more general level. This note records the main points which emerged from our discussions with them, as well as the more personal impressions gained from seeing the South Yorkshire and West Yorkshire police methods of dealing with picketing.

2. The picket lines we visited were at Rossington in South Yorkshire and at Woolley Colliery in West Yorkshire: we saw also the central command rooms in each police force area. Although the street lights had been put out and nails scattered on the road at Rossington, there were only 180 pickets present and there was no violent confrontation as there was at Woolley where the 1500 pickets started stoning the police once the one working miner had entered the colliery. There was, then, no direct point of comparison between the two forces, but there was nonetheless an opportunity to see how much their approaches towards the operations differed, as they did in *just* about every respect.

3. The West Yorkshire approach, as explained by ACC John Domaille, is based not so much on the position of police officers on the picket line during a confrontation but on reaction to them if they were to walk round pit villages singly or in small groups later the same day. This leads to low-level policing, in which no officers

from outside forces have been deployed to West Yorkshire and dogs, horses and riot equipment have been used only when trouble has arisen rather than when it might be expected. Consistent with this approach is the sense of 'fair play' towards the pickets which has led the police to inform local NUM officials when miners intend to return to work and to provide them with an opportunity to talk to working miners inside collieries (if the working miners agree) if vehicles are unable to stop at official picket lines because of the disorder that would occur. This low key attitude in which each site has a basic two PSUs (46 officers) assigned to it is in sharp contrast to the policy followed by South Yorkshire which has been the scene of more consistent and widespread violence in the dispute. There has been much mutual aid deployment and four PSUs at each site. There seemed more of a readiness to expect violence: although there was no real trouble at Rossington, a noticeable number of the officers on the road to the colliery were wearing riot helmets.

4. There was a difference also in the command structures used by the two forces. In South Yorkshire once the central command room had assigned PSUs to a particular colliery, the on-site conduct of the policing was in the charge of the pit commander, usually a superintendent. In West Yorkshire, however, once it was clear which the 'hit pit' on which the pickets were concentrating would be, a small team from the central command room, led by Mr Domaille would travel to that site to run the police operation. Each system has its own advantages: the former method leaves the control with someone who has become used to dealing with the local pickets, who knows the site itself very well and can be expected to be in a good position to judge how to handle any violence or trouble that might arise. The latter method allows the control team to build up a wealth of experience in dealing with violent picketing, and gives a personal and common approach to the policing throughout the force area. The pickets to whom A8(3) had talked in West Yorkshire expressed respect for Mr Domaille and the other senior officers and said that generally they were impressed and pleased with the way in which the dispute was being policed.

5. Both forces seemed to enjoy a close relationship with the local NCB area directors, but used the co-operation in different ways. West Yorkshire police were careful not to become too identified with the NCB while South Yorkshire used rooms on NCB property at each site as the local command centre. Each force had arranged the 'going down' times at the pits within its area with the NCB. West Yorkshire had the same time at all its pits (7.00 am) in order to stretch the resources of the pickets so that only one pit would receive a large number of demonstrators, but South Yorkshire had opted for staggered 'going down' times so that officers from the early sites could, if necessary, be redeployed at a later pit. The more general point which A8(3) had found, however, was that some forces seemed unaware of the

extent to which the NCB was willing to co-operate with the police and so had not taken full advantage of what the NCB might be prepared to do.

6. The particular point emphasised by the circumstances of the visit to Woolley colliery was the importance the police seemed to attach to being able to carry out retrospective arrests. A civilian police cameraman was filming the violence not just for training purposes but to identify and collect evidence against the leading offenders, who appeared to be relatively easy to pick out in the crowd. Also at Woolley, the police arrested someone of whom they had photographs taken at Omley moor colliery the previous day when he was apparently throwing stones at the police. At present retrospective arrest seems to be used to arrest people on picket lines for offences committed on an earlier occasion but in theory, of course, people could be arrested away from the picket line in the same way. Certainly the police seem to regard filming as the most sensible approach to evidence-gathering if disorder is still taking place.

7. More generally, although this is more of a personal view, I was struck by the relative unimportance of the legal position of the law when the violence itself was occurring. There was no doubt that far more important was the ability of senior officers to contain the situation by their deployment of the PSUs and the tactics at their disposal. For most of the time it was simply not a question of the law and although there was some considerable disorder which lasted for over an hour there were only ten arrests for public order offences. To some extent at least the arrest of certain ringleaders from the crowd served the immediate purpose of calming the demonstrators, and the question of what charges, if any, would be brought seemed of lesser significance unless serious offences were being committed.

8. The visit to Rossington highlighted different aspects of policing the strike, most noticeably because of the deployment of officers from other forces. Viewed as a way of testing the progress made in implementing the public order training programme begun after the 1981 riots, the NUM dispute showed that some improvements had been made since then. This was demonstrated in the greater ease which forces found in working together rather than in the use of particular manoeuvres from the Tactical Options Manual. There was indeed a problem with the use of specific tactics in that while there was a range of these recommended by the manual there were no compulsory manoeuvres in which all forces trained. The need for a common basis was emphasised also in the confusion that could arise from the variety of practices in seemingly minor matters. The example given to us by A8(3) was that of the radio

codes: the same number could describe one of several different situations depending upon the force by which it was used.

9. Common and minimum standards were a major theme also in discussion of the equipment used by different forces. At Rossington we saw officers from visiting forces side by side wearing different types of riot helmets, one of which, so I understand, was markedly superior to the others. The same differences in standards were apparent in the transport provided by guest PSUs. Officers from one force had travelled in hired transit vans because the force lacked sufficient police vehicles to transport all its PSUs. This perhaps raises a more general question whether a force which does not ordinarily need much by way of public order policing equipment should be required (and if so, by whom) to provide itself with equipment which it would probably only use in support of another force on mutual aid.

10. The forces most sought-after on mutual aid were, from A8(3)'s experience, largely from the south of the country from non-metropolitan areas. The list included Cambridgeshire, Norfolk, Surrey, Avon and Somerset and West Mercia. Metropolitan PSUs were valued in violent confrontations but at other times, and these occasions were more frequent, their attitudes were thought to be harder for local people to identify with and so perhaps more likely to lead to an increase in tension. The casual approach of the Met PSUs had been a surprise to those forces which had not the same experience of public order problems being treated as everyday occurrences.

11. The most unexpected point to come out of our discussions was about the usefulness of the intercept policy at police force area boundaries. We seem to have regarded the police power to 'stop and turn back' those travelling to an area where a breach of the peace was expected as an unmixed blessing. It was suggested, however, that use of this power might create its own problems. While diverting pickets and others from the likely sites of trouble within one police force area, turning them back may merely send them to other destinations to demonstrate rather than deterring them from attending a picket line at all. The additional problem once they have been diverted is, of course, that there is no longer such good information about where they are likely to go.

12. The overall impression from the visit was that morale in both forces, and the guest PSUs, was, high: certainly there was no evidence of a defeatist approach or any reduced commitment because of the length of the strike. This suggests a general confidence in the approaches, widely differing though they are, used in both forces, and can perhaps also be traced to the more efficient and regular arrangements for

providing meals and accommodation for officers as the strike has continued. Visiting PSUs in South Yorkshire are now being housed more comfortably than they were in the earlier days of the dispute: some units, ironically, are using accommodation at a holiday camp in Cleethorpes which would normally have been used for miners' holidays all summer. There was an awareness also that when the winter arrives there will be a need to make contingency travel arrangements in case of bad weather and to equip officers with warmer and waterproof uniforms. The possibility of using holding centres as an alternative to keeping PSUs on standby was also being raised as a way of preventing lowered morale from hours of sitting crowded in transit vans. The work of A8(3) seems to have been very valuable in promoting constructive planning to cope with the possibility of the strike's continuing throughout the winter. The fact that they were asked to produce a report of what they found on their visits suggests that ACPO too is adopting a receptive and constructive approach

ALISON SMITH

6th November 1984

PERSONS ARRESTED BY CATEGORISED OCCUPATIONS

<u>NUMBER</u>	<u>OCCUPATION</u>
7,045	Miners
5	Retired Miners
4	<u>M.P.s (including MEP)</u>
14	Transport Workers incl. Coach driver H.G.V. driver Railway Worker
53	Students in Academics School/College Students/Lecturers
5	Medical Workers incl. Nurses Hospital Workers
25	Non Manual Workers incl. Planning Officer Community/Social Worker Clerks
164	Manual Workers incl. Construction Workers - Welder Labourers - Electrician Refuse Collector- Builder Industrial Worker
11	Servicemen Royal Navy - Fire Service
37	Housewives
145	Unemployed
2	Retired (Non miners)
8	Female (Other)
61	Not known/Given

} 69

APPENDIX B

NUMBERS OF ARRESTS BY TYPES OF OFFENCE

	<u>NUMBERS</u>	<u>OFFENCE</u>	
1.	3264	<u>Section 5 Public Order Act 1936</u>	
2.	1525	Obstruct Police	
3.	582	Obstruct Highway	
4.	724	Criminal Damage	
(a)	4	Criminal Damage with Intent to Endanger Life	
(b)	10	Arson	
5.	263	Assault on Police	
6.	293	Assault - Actual Bodily Harm	
7.	34	Assault - Grievous Bodily Harm	
8.	137	Theft	
9.	17	Resist Arrest	
10.	38	Offensive Weapon	
11.	226	Conspiracy and Protection of Property Act - Besetting	
12.	17	Burglary	
13.	1	Handling Stolen Property	
14.	? 1	Drug Offence	*
15.	117	Breach of the Peace	
16.	28	Breach of Bail Conditions	
17.	17	Attempt (Various Offences)	
18.	56	Drunkenness	*
19.	507	Unlawful Assembly	
20.	? 17	Railway Offences	*
21.	21	Affray	
22.	137	Riot	
23.	1	Incitement	
24.	? 14	Reckless Driving	*
25.	12	Threats/Conspiracy to Cause Damage	
26.	✓ 3	<u>Explosives Offence</u> (see note)	
27.	3	Threats to Kill	
28.	2	Unlawful Imprisonment	
29.	123	Other Offences	

8194 - charges

CONFIDENTIAL

APPENDIX C

COURT SENTENCES IMPOSED

<u>NUMBER</u>	<u>SENTENCE</u>
7	Remand in Custody
47	Custodial Sentence - [Longest sentence 9 Months]
6	(a) Detention Centre [Maximum 6 months]
2	(b) Youth custody Order [Maximum 6 months]
9	Detained in Police Custody - [1 day]
32	Suspended Sentence - [Longest sentence 6 Months]
	<u>Fines</u>
6	Under £10
117	£10 - £24
210	£25 - £49
283	£50 - £74
401	£75 - £99
310	£100 - £149
66	£150 - £199
118	£200 and above
5	Community Service Order [80 hours]
2	Probation Order
248	Conditional Discharge/Absolute Discharge
740	Bound Over to Keep the Peace
590	Acquitted
3276	Court Bail

PERSONS ARRESTED PER FORCE AREA

<u>N.R.C.</u>		<u>ARRESTS</u>	<u>CHARGED</u>	<u>CASES DEALT WITH</u>	<u>ACQUITTALS</u>
<u>NO.</u>	<u>FORCE</u>	<u>CUMULATIVE TOTAL</u>			
6	CLEVELAND	58	53	55	5
7	CUMBRIA	25	5	5	0
8	DERBYSHIRE	1074	869	370	51
11	DURHAM	373	331	137	15
13	ESSEX	212	164	28	0
15	GREATER MANCHESTER	225	133	82	25
16	GWENT	145	143	87	28
17	HAMPSHIRE	11	11	0	-
19	HUMBERSIDE	94	56	22	2
20	KENT	209	198	58	13
21	LANCASHIRE	26	13	2	0
22	LEICESTERSHIRE	54	50	43	10
24	MERSEYSIDE	181	174	113	45
25	METROPOLITAN	126	109	64	11
28	NORTHUMBRIA	406	364	131	18
29	NORTH WALES	31	28	25	2
30	NORTH YORKSHIRE	137	127	84	5
31	NOTTINGHAMSHIRE	2305	1847	815	263
32	SOUTH WALES	284	281	125	19
33	SOUTH YORKSHIRE	937	880	353	61
34	STAFFORDSHIRE	371	270	224	13
38	THAMES VALLEY	3	3	0	-
39	WARWICKSHIRE	169	133	62	10
42	WEST YORKSHIRE	123	114	13	0
	<u>TOTAL</u>	<u>7,579</u>	<u>6356</u>	<u>2898</u>	<u>596</u>

The system would work like this: A person who wished to organise a picket would attend the local police station, identify himself and announce himself as the Picket Organizer. He would sign a form taking responsibility for the selection, administration and supervision of the pickets. The police would issue him with arm-bands and give him a leaflet setting out the Rules for Picketing. He would leave them with an address and telephone number. He would have a distinctive arm-band which identified him as the Picket Organizer. It would be his responsibility to ensure good order on the picket line in the first instance and to warn potential pickets of the rules. He would then issue the armbands to those he selected for the picket. Pickets would be limited to six at any given access-point. The Picket Organizer would be responsible for supervising them, liaising with the police, and ensuring that only his chosen pickets were on duty wearing their armbands.

The rules that the Picket Organizer would be given would state that no person who had not worked for a year at the premises to be picketed could act as a picket, that pickets were limited in number to six, that armbands must be worn at all times, that no threats may be made to non-strikers, and would also warn pickets of the penalties for breach of the picketing regulations. The Picket Organizer would nominate a deputy when he was off duty and inform the police accordingly.

Once the system is established it would not involve the police in much work, and work to regulate the picket would save work in coping with the consequences of a disorderly picket. Overall this system would involve less work for the police.

There would be clear individual responsibility first by the chosen pickets themselves, secondly by the Picket Organizer. In the case of official strikes he would be a union official. The law would lay down that Picket Organizers must either be employees who have worked for two years at the premises or a local union official in the case of official strikes.

If the authorized pickets misbehaved it would be easy to identify and punish the culprits. In addition action could be taken against the Picket Organizer and, in the case of official strikes, the union itself. Any other persons attempting to pose as authorized pickets or joining the picket line would be committing an offence. The Picket Organizer would be responsible for returning the armbands to the police at the end of the dispute.

There should be a further condition that lawful picketing can take place only in furtherance of a trade dispute between persons at the premises to be picketed. This rules out picketing in furtherance of secondary boycotts. This will give statutory backing (in relation to picketing) to the recent judicial decisions regarding the "remoteness test" and, in particular, to Mr Justice Ackner's judgement in *United Biscuits v. Fall* (1979).

The underlying justification for these measures is that the law should allow peaceful persuasion and information on the part of those with a legitimate interest in a trade dispute which concerns them, but should not allow outside interference, meddling in other people's disputes, or hooliganism.

What is required is a single Act dealing solely with picketing, introducing one or two new points and consolidating existing legislation and giving statutory authority to existing case law. Although the law *already* bans certain forms of behaviour such as riotous assemblies, affrays and so forth, it is desirable that Chief Constables, union officials and others who have to deal with the practical problems of picketing should have the "Do's" and "Don'ts" of picketing spelt out in one place in a modern Act of Parliament. This would have the virtue that the judges are not called upon to become embroiled in the business of developing or applying common law principles in cases where they will be accused of political bias.

Offences under the Act should be summary offences triable in a magistrates' court.

SUMMARY OF RECOMMENDATIONS

- (1) The Act should create an offence of unlawful picketing. An offence will be committed by any person who knowingly organises or participates in a picket or exhorts and incites or aids and abets any person to do so, in breach of the requirements for a lawful picket. There should be a maximum fine of £300 and 200 hours community service for a first offence and six months in prison for subsequent offence (i.e. an offence committed after *conviction* of an offence). Vehicles knowingly used for transporting persons for unlawful picketing should be liable to forfeiture. Conviction should count as an automatic five-year disqualification from any union office, from the right to organise or participate in pickets, and should provide grounds for fair dismissal from employment.
- (2) A picket will be unlawful if:
 - (a) No Picket Organizer has registered with the police and issued armbands;
 - (b) The registered Picket Organizer is not eligible to organise a picket by virtue of being neither a local union official nor employee at the premises with two years' service, or by having been convicted of any criminal offences (except minor motoring offences) within the previous five years;

- (c) The authorised pickets or some of them are likewise disqualified by virtue of a conviction;
 - (d) There are more than six pickets at any one access point;
 - (e) The pickets are not wearing armbands issued by the police;
 - (f) Threats are uttered by any of the authorized pickets to non-strikers or any person is obstructed or forcibly detained or intimidated;
 - (g) It occurs at premises other than those of the workplace at which the pickets worked prior to the dispute;
 - (h) Any violence is used by any of the authorized pickets to any non-striker or if any offensive weapon is carried;
 - (i) It concerns a dispute other than a trade dispute between those involved at the premises to be picketed.
- j) Any person who, not being a Picket Organizer or authorized picket, nevertheless joins a picket-line, poses as an authorized picket, or purports to picket, will commit an offence.
- k) Any person attempting to intercept non-strikers on their way to work or participating in a demonstration concerning any dispute within 500 yards of any access point to the premises under picket will be deemed to be picketing.

The Socialist Workers' Party has issued a leaflet "Going on Strike" which states "The heart and soul of a strike is the picket". It emphasizes the importance of numbers, "the mass picket", the importance of "the flying picket", the importance of secondary boycotts, and stresses that the picket should be an "outlet for anger". It points out that most of the laws which can be used against pickets "involve fairly minor fines" and points out that supporters can simply raise a collection to pay them. "If you get such police intervention that your picketing is made ineffective, call for a mass solidarity picket of local trade unionists". The leaflet stresses that one advantage of large numbers of pickets is that "the police cannot arrest every striker and every picket".

Our proposals put an end to this nonsense. The penalties are designed not to be draconian but to have an impact on the individual transgressor in a way that fines alone do not. They are also designed to increase to deal with the persistent trouble-maker. They are designed to introduce an element of discipline — both internal and external — to the picket-line. They catch the inciters and organizers who usually go unprosecuted at present.

Our proposals are not particularly revolutionary. They merely seek to enforce the practices which most trade unionists know as necessary for an orderly picket. Our proposals are foreshadowed in the Social Contract between the last Labour Government and the T.U.C. (The Economy, the Government and the Trade Union Responsibilities — Joint Statement by the T.U.C. and the Government, February 1979). Under the heading "Organization" (S. 13) they state: "Pickets should be advised to act in a disciplined and peaceful manner even if they are provoked. . . It will help to ensure that picketing is peaceful if an experienced member, preferably a union official, is in charge of the picket line . . . He should ensure that the number of pickets is no larger than necessary". Under the heading "Demonstrations" (S. 18), they state: "In any situation where large numbers of people with strong feelings are involved, there is a danger that things can get out of control particularly in a confined space such as access to a factory. . . It is also important that demonstrations of this kind do not convey the impression that the object is to blockade a workplace".

The established practices of good picketing are given the force of law in our proposals in order to protect the law-abiding pickets and the public in general from the abuses of a minority, usually outsiders who have no legitimate interest in the matter but who have a desire often stemming from ulterior political motives to promote discord and violence.

The picket is industrial muscle. Legal regulation of picketing will undermine its strength to some extent but it will continue to be a formidable weapon. The purpose of our proposals is to protect the rights of all parties, to prevent disorder and violence, and to prevent the balance of industrial power being unfairly tilted in favour of strikers by illegitimate forms of picketing. The "mass picket", the "flying picket", and the "secondary picket" all must become of merely historical interest.

DOCUMENT 5

UUC Guides

Negotiating
Procedures

Conduct of
Disputes

Union
Organisation



Published by the
Trades Union Congress
February 1979

and with due notice, in consultation and preferably by agreement with the employer, for the maintenance by their members of supplies and services essential to the health or safety of the community or otherwise required to avoid causing exceptional hardship or serious pollution.

7 Trade union members should also provide cover for the maintenance of plant and equipment essential to the functioning of the establishment and which also ensures, as far as possible, a smooth return to full production on a resumption of normal working.

8 Where livestock is involved, trade union members should also ensure that systems essential to their wellbeing continue to function and that supplies of food stuffs are maintained.

Picketing

9 The purposes of picketing are to persuade other employees to join in the withdrawal of labour; to dissuade workers recruited by the employer during a strike from entering the strikebound premises; or to establish check points to ensure that no strikers return prematurely. Picketing may also be aimed at deflecting supplies or custom from the employer in dispute. The decision to mount a picket is for the union in dispute. Unions should in general, and save in exceptional circumstances, confine picketing to premises of the parties to the dispute or the premises of suppliers and customers of those parties.

10 The right of workers to demonstrate their dissatisfaction with an employer over the terms and conditions on offer is a fundamental one. There is, however, no legal right to picket as such. But it is lawful for persons acting in contemplation or furtherance of a trade dispute to picket at or near a workplace or

any other place (except a person's home), provided they do no more than peacefully obtain or communicate information or peacefully persuade workers to abstain from work. The right to picket is subject to the following legal restrictions:

- a if pickets enter private property without permission and damage occurs, they are liable to be sued individually for trespass or collectively for conspiracy;
- b pickets may communicate or obtain information 'peacefully' but may not 'interfere' with persons entering or leaving premises. 'Interference' includes unlawful obstruction of the highway or of other users of the highway, the use of such methods as lying down in the road, linking arms to prevent the entry of lorries to premises, jostling or detaining persons entering or leaving the premises and making threats of violence or engaging in acts of violence;
- c it is unlawful for any person to use or threaten violence to a person or his family or to injure his property or to deprive him of it. In addition interference with passage on the highway may constitute a 'nuisance' in the civil law;
- d '*Hunt v Broome*' established that there is no right for a picket to stop a vehicle against the driver's will. Lawful methods of persuasion are limited to 'oral or visual methods' and do not permit pickets to commit acts such as physical obstruction of a vehicle or person;
- e the law gives the police considerable discretionary powers to decide whether the methods used by pickets are lawful in particular circumstances. In 1960 the courts supported a police officer who decided that a picket of two persons was adequate and arrested a third man on the picket line. However, on other occasions larger numbers of pickets have been allowed without police intervention. In 1966 the courts ruled that where pickets walked in a continuous circle outside a factory and refused to obey a police officer's order for them to stop, the police officer had been obstructed in the course of his duty.

18

The Independent Review Committee was established under the auspices of the Trades Union Congress and its secretariat is drawn from the staff of the TUC, but its members were appointed in consultation with the Secretary of State for Employment and the Chairman of the Advisory, Conciliation and Arbitration Service and it is completely independent in making decisions.

19

The Chairman of the Committee is Professor Lord Wedderburn of Charlton, Cassel Professor of Commercial Law at the London School of Economics. The other two members are Lord McCarthy, Fellow of Nuffield College and the Oxford Management Centre and University Lecturer in Industrial Relations; and Mr. George Doughty, formerly General Secretary of the Technical Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers and former member of the TUC General Council. Enquiries should be addressed to the Secretary at Congress House, Great Russell Street, London WC1B 3LS.

20

The following procedures are part of the Committee's terms of reference:

- a the Committee must be satisfied, before considering an appeal, that an individual who has been dismissed has exhausted all internal union procedures;
- b the Committee will discuss the case with the union and the individual concerned and will try to resolve the matter by agreement;
- c if agreement cannot be reached the Committee will make a recommendation about whether or not the individual should be admitted to the union, or in the case of a member who has been expelled, whether or not he should be taken back into the union, and if so, upon what conditions. There is then a clear responsibility on the part of the union concerned to act upon such a recommendation.

During 1978, the TUC has reminded all affiliated unions of the importance of taking all steps necessary to ensure that individuals excluded from mem-

bership or refused admission in situations where trade union membership is a condition of employment are made aware of their rights both within the union and in respect of the Independent Review Committee.

22

These steps could include reminding all those concerned with admission to or exclusion from membership, particularly at branch level of the rights of appeal which exist within the union, and once the union's internal procedures have been exhausted, informing the complainants of the existence of the Independent Review Committee.

APPENDIX

The Law

1

Under the *Trade Union and Labour Relations Acts 1974 and 1976*, a closed shop or as it is legally termed — union membership agreement — is "an agreement or arrangement which

- a is made by or on behalf of, or otherwise exists between, one or more independent trade unions and one or more employers or employers' associations; and
- b relates to employees of an identifiable class; and
- c has the effect in practice of requiring the employees for the time being of the class to which it relates (whether or not there is a condition to that effect in their contract of employment) to be or become a member of the union or one of the unions which is or are parties to the agreement or arrangement or of another specified independent trade union; the references in this definition to a trade union include references to a branch or section of a trade union; a trade union is specified for the purposes of, or in relation to, a union membership agreement if it is specified in the agreement or is accepted by the parties to the agreement as being the equivalent of a union so specified."

2

A further important detail is added in the 1976 Act.

"For the purposes of this Act, employees are to be treated, in relation to a union membership agreement, as belonging to the same class if they have been identified as such by the parties to the agreement, and employees may be so identified by reference to any characteristics or circumstances whatsoever."

3

Under the 1974 and 1976 Acts, now re-enacted in Section 58(3) of the *Employment Protection (Consolidation) Act, 1978*, dismissal of an employee by an employer shall be regarded as fair if:

- a *it is the practice, in accordance with a union membership agreement, for employees for the time being of the same class as the dismissed employee to belong to a specified independent trade union, or to one of a number of specified independent trade unions; and*
 - b *the reason for the dismissal was that the employee was not a member of the specified union or one of the specified unions, or had refused or proposed to refuse to become or remain a member of that union or one of those unions;*
- unless the employee genuinely objects on grounds of religious belief to being a member of any trade union whatsoever, in which case the dismissal shall be regarded as unfair.*

Ref. A084/2304

MR TURNBULL

Ministerial Group on Coal (MISC 101)

The Secretaries have had a request from the office of the Secretary of State for Wales that he should become a member of MISC 101.

2. I minuted the Prime Minister about the composition of MISC 101 on 12 March 1984. The composition approved by the Prime Minister in your minute to me of 12 March 1984 included the Secretary of State for Scotland, but not the Secretary of State for Wales. The Secretary of State for Scotland was included because of his responsibility for electricity in Scotland.

3. Because of the nature of the subject, and unusually for a MISC Group, a formal membership was established for MISC 101, with written invitations for those invited to serve. Ministers who are not members, including the Secretary of State for Wales on a number of occasions, have been invited to attend meetings on an ad hoc basis when matters within their responsibilities have been due to be discussed. We have thought it both right on general grounds and in accordance with the Prime Minister's wishes to avoid any general broadening of the membership of the Group.

4. We propose, if you agree, to tell the Secretary of State for Wales's Private Office that it is not possible to extend a standing invitation to him on the basis he has requested, though the arrangements described in the previous paragraph will continue and will allow him to attend on an ad hoc basis when the subject requires.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

9 November 1984

Prime Minister (2)

31A

Daily Coal Report - Thursday 8 November 1984

AT 8/4

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45 -	-
(ii) Turning some coal	10	-
(iii) Some men present	34 -	-
(iv) On strike/picketed out	84	-

Whittle (North Derbyshire), where 44 men are present, is today restarting coal production and has been moved from category (iii) to category (ii). Silverwood (Yorkshire) and Ireland (North Derbyshire) have moved from category (iv) to (iii).

By lunchtime a further 245 men had reported back to work bringing the total for the four days to 1972. 122 of today's total were in North Derbyshire.

In Yorkshire the number reporting at Manton colliery has now risen to 61 bringing the prospect that some coal production may soon be able to re-start. Despite the presence of 750 pickets a single miner has reported back to Cortonwood - a move of considerable symbolic significance.

In Scotland a record 464 miners were at work, including 255 at Bilston Glen.

In Wales 62 men reported at Bersham (see below) and 24 at Cynheidre. Small numbers also went into 4 other Welsh pits.

Coal Movements

187,000 tonnes were moved yesterday.

34 coal trains ran.

SECRET AND PERSONAL

Law and Order

There were 7 arrests outside Markham pit (North Derbyshire). In Durham there were 14 arrests outside Merton pit and 1 outside Vane Tempest.

Bersham Miners Ballot

Unfortunately 62 working miners boycotted today's secret ballot - apparently for fear of being forced to go back on strike if the result went the wrong way. The 145 of their colleagues who voted to return to work were narrowly outvoted by 154 who supported continuing strike action. Despite the obvious wish of a substantial majority to work, the NUM claimed the result as a victory. The acid test will be attendance figures over the next few days.

NUM Rally

The second striking miners' rally is due to take place in Sheffield tonight.

Line to Take

Nearly 2,000 miners have returned to work in the first 4 days of this week. Well over 70,000 are at work in the industry. Ordinary miners are voting with their feet.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL



J. R. S. C.

CC MASTER SET

10 DOWNING STREET

From the Principal Private Secretary

8 November 1984

Dear Michael,

MR. ROBERT MAXWELL

When Mr. Robert Maxwell called on the Prime Minister today to report on his visit to Ethiopia, he said that he would also like to say something about the coal strike. He re-asserted his support for the Government in resisting a settlement on Mr. Scargill's terms. He agreed that Mr. Scargill was an evil man who was doing damage to the trade unions, his members and his industry. Mr. Maxwell said that he was in close touch with the TUC leaders and had been in close touch with Mr. Scargill until a fortnight ago. Mr. Evans and Mr. Keys had been added to the TUC team advising on the strike. He said that, if the TUC were to ask for a meeting with Mr. Walker, he hoped that the Prime Minister would look favourably on this approach. The TUC were likely to be content with an assurance that the proposal for reducing capacity by 4 million tonnes had "faded away" and that the procedure involving the closure of uneconomic pits was in line with previous formulae. They would then be likely to put pressure on the NUM to reach a settlement by threatening to withdraw their support.

The Prime Minister said that these points had been dealt with in the NACODS agreement and the Coal Board could not go any further (Mr. Maxwell interrupted to say that he was thinking of an elucidation of the NACODS agreement and not a further negotiation). The Prime Minister said that she feared that, if the TUC had a meeting with the Government they would not be able to resist the temptation to negotiate. But, speaking frankly, she did not think that further negotiations of any sort were likely to be helpful at present. While negotiations were in process, miners hung back from returning to work. Since they had stopped, 2,000 had returned to work this week. It was better that the strike should end from a drift back to work because there would then be a less obvious distinction between those who had gone back to work against the instructions of their union and the rest.

Mr. Maxwell said that he had no doubt that if nothing was done the strike would crumble. But it would take two months. It would be a great prize to end it earlier. He was only asking that, if the TUC were to ask for a meeting

RSC

with Mr. Walker, it should be agreed to. He urged the Prime Minister to consider this carefully.

The Prime Minister said that of course she would consider what Mr. Maxwell had said but gave no indication that she was inclined to change her view.

Yours ever,

Robin Butler

Michael Reidy, Esq.,
Department of Energy.



01-405 7641 Extn

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

Cf: Please copy to Mr Booth (Bling Unit) and then p.a.

amb
12/4

Prime Minister

The A-G's reply to
Mr Benjamin on prosecution
for conspiracy.

7 November, 1984.

Dear Francis.

amb
9/11

MB

Thank you for your letter of 31 October 1984 enclosing the copy of the article which you promised to send me.

I have read it with great interest, and would like to compliment you on a very well-researched and well-reasoned article.

There is no dispute between us that mass picketing, as it is currently being carried on, does in practice lead to the commission of various "ordinary" criminal offences, e.g. assaults, breaches of the peace, unlawful assembly and even, in particularly bad cases, riot. As you know, many of these already have been, or are now being, prosecuted in the courts. I also substantially accept your main conclusion that mass picketing probably involves the commission of an offence under section 7 of the Conspiracy and Protection of Property Act 1875 and that those who organise it are guilty both of the substantive offence and of a conspiracy to commit it. But I would add the caveat that certain aspects of your reasoning and conclusions may be disputable and almost certainly would be disputed if they formed the basis of a charge in particular proceedings.

I still fear, however, that you underestimate the difficulty of securing evidence, usable in court, that a specific defendant committed the specific acts alleged against him, particularly if what the Crown is alleging is a conspiracy to contravene section 7 of the 1875 Act. It is one thing to be satisfied, intellectually, that an offence of this nature must have been committed by somebody: it is quite another to prove beyond reasonable doubt that a particular person has committed it.



I have said before, and I have to say again, that the collection of evidence is for the police and not for me or the Director of Public Prosecutions. We have in fact not been shown any evidence sufficient to mount the sort of case which you and I have been discussing in this correspondence; neither do we know of any lines of enquiry which we could suggest to the police which are not already well-known to them. There is no policy, so far as I or the Director of Public Prosecutions is concerned, of not prosecuting if the evidence is available. Neither, I might add, have we in any way discouraged the obtaining of evidence.

I have now received your further letter of 5 November which was sent in reply to mine of 2 November. In view of what you say about the attitude of the police and the possible intervention of the Home Secretary, I am copying this letter (and our previous correspondence) to the Home Secretary. It has seemed to me for some time that it was perhaps to him rather than to me that you should have been addressing your representations! I am also copying the correspondence - or such of it as he has not already had - to David Barclay at No.10.

Yours Gr. *Michael*

Francis Bennion Esq
62 Thames Street
OXFORD OX1 1SU



Ref. A084/2987

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

Because of the heavy Cabinet agenda you will want to spend less time than usual on this item, but you will wish to ask for reports from:

- i. the Secretary of State for Energy
on this week's encouraging improvement in the number of pits and miners working;
the personnel problems at the NCB;
- ii. the Attorney General
on the progress of the sequestrators in locating and freezing the NUM's assets (and particularly the prospects for securing further judgments in foreign courts).

Next Meeting

2. The next meeting of MISC 101 has been arranged for Monday 12 November at 2.30 pm.

RWA

ROBERT ARMSTRONG

7 November 1984

Daily Coal Report - Wednesday 7 November 1984

30

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	33	-
(iv) On strike/picketed out	86	-

Vane Tempest and Whittle (North East) and Emley Moor (Yorkshire) have moved from category (iv) to category (iii).

For the third consecutive day there has been a marked increase in attendances in all areas. By lunchtime a further 387 striking miners had reported back to work, bringing the total for the three days to nearly 1700.

Once again the most significant increase was in North Derbyshire. A further 86 men reported at Shirebrook, bringing the total to 581 (up 300 since Friday). There were record attendances at all other North Derbyshire pits.

A Board spokesman predicted that coal production could soon restart in Yorkshire, where a total of 221 miners have now gone back to work - 51 more than yesterday.

In a number of areas there are now pits with perhaps just one or two men in - hopefully paving the way for the return to work to spread (although it would be foolish to predict that the surge back over the last few days will necessarily continue at the same rate).

However there have been further signs today that the return to work is putting Scargill under pressure. For the second day running he has claimed that the Board had deliberately

SECRET AND PERSONAL

over-estimated attendances. Today he claimed that only 53,000 were at work in the industry. In fact the number is 72,500.

Coal Movements

Another good day. 189,000 tonnes were moved yesterday.

40 coal trains ran.

Law and Order

Picketing was heavier than yesterday. There was trouble in the North East, though attempts by pickets to build barricades and to stone buses failed to prevent 27 men from reporting to Whittle pit - the first significant break in the strike in the Northumberland.

There were 19 arrests in North Derbyshire - 16 of them for public order offences at Markham pit - where 119 men reported for work today (up 95 since Friday).

The road convoy from Port Talbot to Llanwern steelworks was stoned at various points by pickets on motorway bridges.

The first of the striking miners' rallies took place in Edinburgh. Only 2400 attended. There were no serious disturbances.

NUM/TUC Meeting

Scargill, McGahey and the NUM General Secretary Heathfield met the TUC's Finance and General Purposes Committee today. Before the meeting, Scargill said he hoped the TUC would deliver the support promised by Congress in September. Afterwards he claimed the talks had been "fruitful".

SECRET AND PERSONAL

High Court

The two Yorkshire miners whose contempt action led to the seizure of the NUM's assets have begun a fresh action seeking the appointment of a receiver and manager to take control of the Yorkshire area NUM's funds. The case is expected to be heard on Monday.

There are press reports that the £5 million, said to have been removed from the NUM's Irish bank account just before the account was frozen, has been placed in the US.

Line to Take

Today's encouraging figures show that miners are voting with their feet. Nearly 73,000 were at work in the industry today - 20,000 more than Mr Scargill was prepared to admit.

It is time that Mr Scargill and his militant friends faced reality and admitted honestly that what is on offer to the miners is the best deal since nationalisation.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

01 211 6402

W
8/11

Ian Lloyd Esq MP
House of Commons
LONDON
SW1A 0AA

7 November 1984



I much appreciate the care and thought which went into your letter of 23 October on the dispute in the mining industry. I am glad that you have found my letters informative and useful: your own analysis is certainly most useful to me.

The resolution of the dispute with NACODS has demonstrated the will of the NCB to reach a balanced settlement with those willing to negotiate. In marked contrast, Mr Scargill has again frustrated subsequent NCB efforts, under ACAS auspices, to negotiate with the NUM.

I have no doubt that the lesson of these conflicting outcomes is plain to the country and to the miners themselves. For our part, the Prime Minister and I have made it clear that we regard the settlement reached by the NCB with NACODS as fair and reasonable. If there is to be a settlement with the NUM, it must be on that basis. This message has also come across publicly from the Board. They have spelt out the terms that are on offer in personal letters to the miners and in fresh advertisements.

These developments have brought us to a new phase in the dispute. We are resolute. I have assured the House that the power stations are well stocked and that we are prepared to take any necessary action to safeguard electricity supplies. The dilemma is now the NUM's and the TUC's and the Labour Party's. This week has seen a substantial movement among striking miners to return to work. The message is getting across that there is no continuing industrial justification for the strike.

Against this background, it would not be right to paint an uncompromisingly bleak picture of the future for the industry. Certainly damage is being done to investment, to coal conversion, to future competitiveness and to markets. But provided its unions are



realistically led, this is an industry with a future. I would not wish to suggest otherwise to the many loyal miners who have remained at work, nor to those who may have to face up to intimidation in order to take the steps necessary to save their jobs from the depredations of their present leadership.

PETER WALKER

Open

Pure Mining (2) 29
HF 6/11

Daily Coal Report - Tuesday 6 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	30	-
(iv) On strike/picketed out	89	-

Bersham (North Wales) has moved from category (iv) to (iii).
(See below).

A further 411 strikers returned to work today, bringing the week's total to 1279. Once again there were record attendances in all areas.

Scargill today complained that the Board were making misleading claims that there had been a surge back by striking miners. The Board have rejected this.

Coal Movements

The CEGB have confirmed that coal stocks at power stations rose again last week.

Yesterday 165,000 tonnes were moved, of which 115,000 went to the CEGB.

Law and Order

Picketing was again generally light today.

High Court

The High Court in Dublin has turned down the NUM's application to

lift a court order freezing the union's assets. The sum in question is now believed to total £2.75 million.

Three working miners in Scotland have failed in their second attempt to challenge the legality of the strike. The Judge said he had been informed that each area had its own rules: the Scottish area did not need a ballot to hold a strike.

Meanwhile the total morning shift attendance in Scotland today rose to a new record of 423, including 220 at Bilston Glen.

Welsh Pit Ballot

Miners at Bersham pit in North Wales are reportedly arranging a secret ballot on Thursday to decide whether to continue to support the strike.

Mr Kirk

The Coal Board's Director of Public Relations, Mr Kirk, returned to duty today having been sent on leave for a week - and announced that by agreement with the Board he will retire at the end of the week. He disclosed that he had in any case been planning to retire in December.

Line to Take

Reality is now catching up fast with Mr Scargill. Striking miners are marching with their feet - back to work. In just the first two days of this week nearly 1300 have returned. The militants are facing defeat.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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



28 JR

10 DOWNING STREET

From the Principal Private Secretary

SECRET AND PERSONAL

SIR ROBERT ARMSTRONG

The Prime Minister was grateful for your minute of 5 November about Box 500 Report POLF 299-24/SB(8CO)/F2N/1. The Prime Minister has read and noted your minute.

6 November 1984

SECRET AND PERSONAL

SECRET

Copy No 1 of 4



Prime Minister (2)

AT
5/11

27

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

mb

5 November 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the weekly commentary on the endurance position and the statistical note on coal stocks.

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

Yours

John

J S ENILSON
Private Secretary

SECRET



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week were 0.70mt (including non-NCB sources). Coal burn was 0.73mt and stocks decreased by 0.03mt. The Board's stocks last Sunday night (28 October) were 14.64mt with a further 0.85mt at Scottish power stations.

2 Total NCB deliveries last week were 0.89mt of which about 0.24mt 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 0.50mt per week. The average over the past eight weeks has been 0.68mt.

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

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

Note: Between 0.45 and 0.52mt/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

1 November 1984

Copy No *1 of 14*
2 November 1984

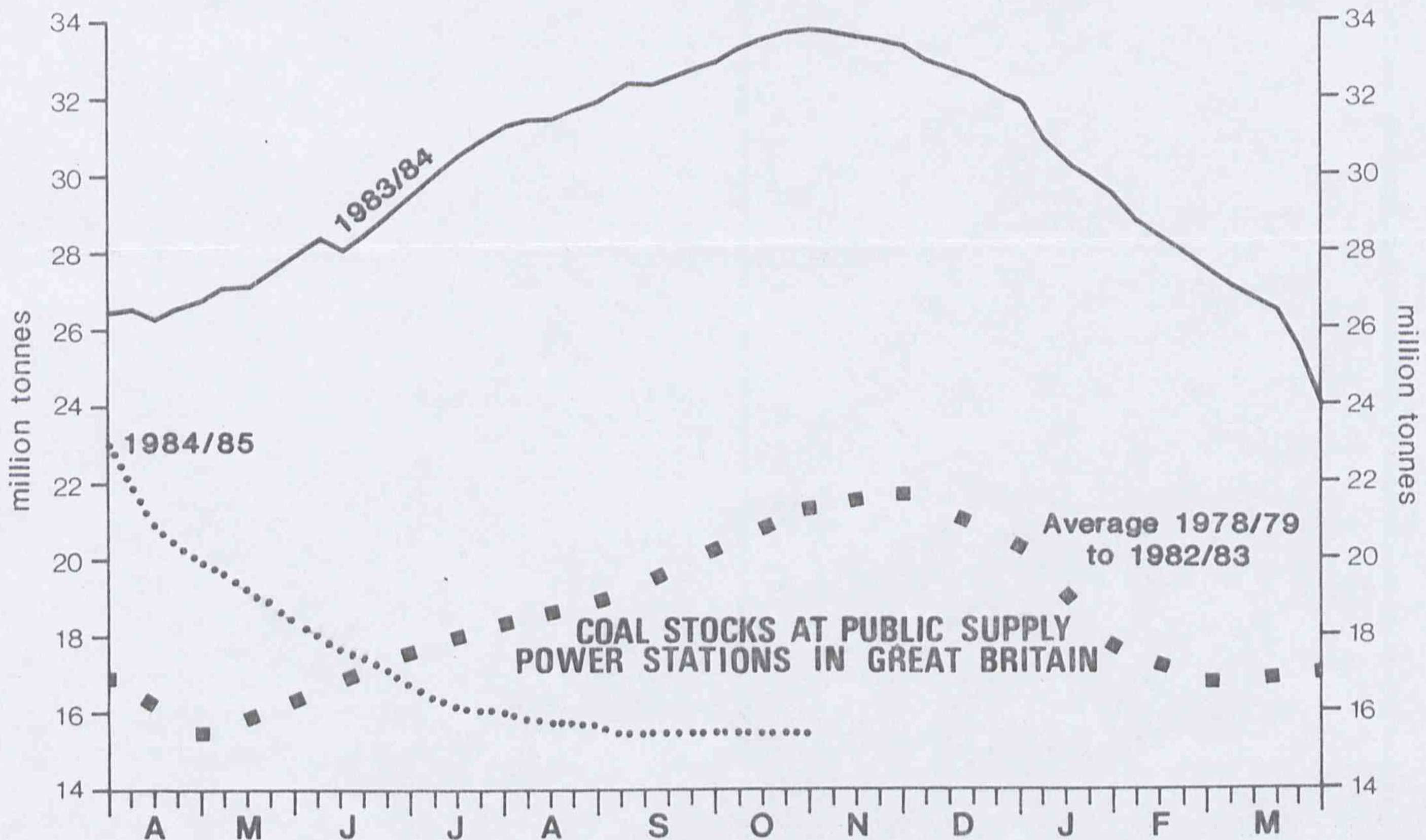
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 29.10.83: 6.10.84 13.10.84 20.10.84 27.10.84

COAL	PRODUCTION	deep mines+	2.27:	0.54	0.53	0.54	0.54
	(m. tonnes)	opencast+	0.34:	0.28	0.31	0.30	0.27
		TOTAL	2.61:	0.82	0.84	0.84	0.81
COAL	PRODUCTIVITY(2)	'overall' o.m.s	2.70:	2.44	..	..	..
	(tonnes/manshift)	'production' o.m.s	11.25:	11.78	..	..	..
UNDISTRIBUTED STOCK							
	(m. tonnes)	TOTAL	24.45:	23.02	21.92	21.81	21.71
STATIONS	COAL STOCKS	(m. tonnes)	33.63:	15.57	15.52	15.52	15.48
	COAL CONSUMPTION	"	1.69:	0.69	0.73	0.73	0.73
	COAL RECEIPTS	"	1.62:	0.70	0.68	0.73	0.69
STATIONS	OIL STOCKS(3)	"	1.41:	1.12	1.23	1.17	1.15
	OIL CONSUMPTION(3)	"	0.06:	0.55	0.49	0.55	0.56
	OIL RECEIPTS(3)	"	0.06:	0.36	0.56	0.44	0.45
POWER	ELECTRICITY SUPPLIED (4) (Gwh)		..:				
	Nuclear	"	706:	802	838	783	791
	Other Steam	"	4,034:	3,679	3,612	3,715	3,822
	TOTAL	"	4,740:	4,480	4,450	4,498	4,612
	TOTAL - temperature corrected	"	4,527:	4,292	4,484	4,552	..

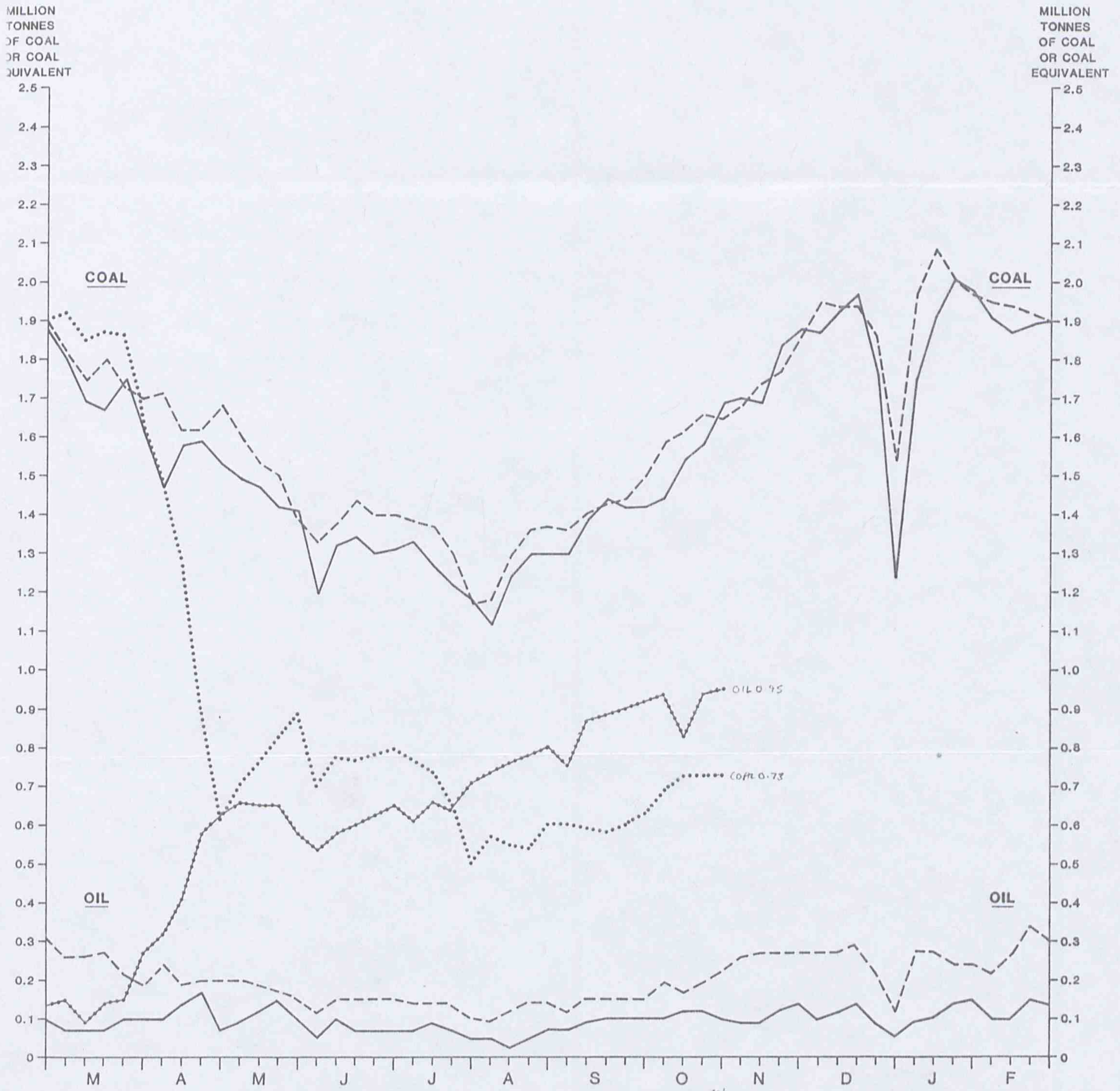
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



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

Key

- COAL } March 84 to February 85
- OIL } March 84 to February 85
- March 83 to February 84
- Average 1977/78 to 1981/82



SECRET AND PERSONAL

Prime Minister

26

Daily Coal Report - Monday 5 November 1984

AT

5/11

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	29	-
(iv) On strike/picketed out	90	-

Killoch (Scotland), Bentley (Doncaster) and Cynheidre (S Wales) have moved from category (iv) to category (iii).

The return to work picked up sharply this morning. A total of 802 miners returned to work and there were record attendances in all areas. The most startling increase was in North Derbyshire. Attendances improved at 8 of the 9 pits. At Shirebrook 432 reported, 134 up on Friday's figure and 209 up on last Monday. In South Wales the strikers' stranglehold was broken when 15 miners returned to Cynheidre pit.

Since this was the day when the NUM were having their special delegate conference such a manifestation of grassroots feeling could not have been better timed.

Coal Movements

Last week did indeed prove to be a good one. 943,000 tonnes were moved, of which 680,000 went to the CEGB.

Law and Order

Picketing this morning was generally light.

SECRET AND PERSONAL

Miner Killed

A striking miner was killed and another was injured whilst digging for coal on a disused railway embankment in Yorkshire.

Delegate Conference

Today's NUM special delegate conference in Sheffield predictably endorsed Scargill's negotiating tactics. Delegates passed a resolution supporting the proposals which the union put forward at last week's ACAS negotiations and deplored the "intransigence" of the Coal Board and the Government. They also passed a resolution deploring use of legal action and the courts. They confirmed the decision of the NUM executive to give no co-operation to the sequestrators and called for the union to ensure that funds remained available for immediate use. The moderates at the meeting were given a rough ride.

Mr Kinnock's Decision

Mr Kinnock told the union tonight that he will not be able to attend or to speak at any of their five forthcoming rallies. He claimed prior engagements.

High Court

A High Court judge this afternoon ordered the Derbyshire NUM area to stop spending union funds in support of the strike. He granted two working miners an injunction effective until Friday, when the Derbyshire area representatives will have the opportunity to state their case for continuing the area's support.

The same judge today ordered an end to the blacking by Cardiff dockers of lorries belonging to the two haulage firms whose contempt action three months ago led to the sequestration of the funds of the South Wales NUM. However he suspended operation of the order until Friday to give time for ACAS to conciliate between the local parties.

SECRET AND PERSONAL

An Irish High Court judge has reportedly frozen £8.5 million assets claimed to have been deposited in a Dublin bank, via the Isle of Man, by the NUM.

Line to Take

Today's record attendances show that the tide has turned. Ordinary miners are voting with their feet. As more go back, more still will join them.

The move back is the voice of sanity, for there is no objective person who could deny that what is on offer is the best since nationalisation.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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

SECRET AND PERSONAL



10 DOWNING STREET

Mr Turnbull

To note X - it might be worth mentioning to the PM if the subject comes up again.

And to note Y as a letter should be coming to you. I hope it was a sensible suggestion.

D. L. Willetts

5/11/84

CONFIDENTIAL

5 November 1984

NOTE FOR THE RECORD

MEETING WITH MR TONY NEWTON, MINISTER FOR SOCIAL SECURITY

THURSDAY, 1 NOVEMBER 1984

Strikers' Benefits

X | The Minister explained the background to his poor showing in the Panorama programme which revealed that miners were diverting Supplementary Benefits payments, intended to pay the costs of mortgage interest, to meet their immediate needs. Mr Newton had been led to believe that the Panorama programme would be an attack on the Government for the meanness of the benefit rules for strikers. He had recorded a 20-minute interview to meet this line of criticism: it had then been drastically cut and used out of context. This is yet another warning of how wary one has to be of Panorama.

We agreed that the neatest solution to the problem of miners' mortgage interest payments was the one which was now being implemented - changing the regulations so that mortgage interest payments for strikers were paid direct to the building society. We agreed that it would cause excessive administrative costs to change the arrangements for the 250,000 Supplementary Benefit claimants receiving mortgage interest payments. In the longer term, the DHSS

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would consider the idea of a loan scheme, as suggested by the Prime Minister. But he was sceptical about the ability of Benefit Offices to act as debt-collecting agents after a strike. Apparently the old Social Assistance system did operate by loans, and when the system was changed to straight grants in about 1947 a lot of loans outstanding from the General Strike had to be written off. We did not discuss the scope for reclaiming the debts through deductions from other benefit payments (notably Child Benefit) or even straight deductions from PAYE at source.

I suggested that one of the main reasons why the Prime Minister had been so irritated by the Panorama programme was that it was the first she had known of the issue. He said that it was also the first that the DHSS had known of the problem. I suggested it might be useful if DHSS were to send to Andrew Turnbull a note setting out the basic facts of benefit expenditure on striking miners' families, and listing the various points at which the system was being put under strain. It would go on to explain what action the DHSS was taking to cover any loopholes or tighten their procedures. A suitably exhaustive list should reduce the chances of a repetition of the fiasco.

MISC 107

He supported the work of MISC 107, which he hoped would complement the Children and Young Person's Review carried

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out by the DHSS. The CYPR was moving towards a considerable tightening of the benefit regime for young people, and it would be presentationally attractive to link this with extended MSC programmes and also the Passport for a Job scheme.

We agreed that the availability for work test was applied less rigorously in the benefit system than it had been. We identified two reasons for this:

- Staff cuts.
- The difficulty of getting useful evidence when there were so few vacancies relative to the number of the unemployed.

We agreed that an extensive benefits-plus scheme (which I floated in a speculative way) might be a good way of dealing with the second problem, and provide scope for greater stringency in applying the test of availability to work.

Review of benefits for children

Mr Newton confirmed that after the Seminar, they were encountering considerable difficulties in identifying any feasible reforms in this area. He was attracted by a simplification and rationalisation of the minor benefits for children - One-Parent Benefit, FIS and the child rates in

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Supplementary Benefit. But if Child Benefit remained fixed in real terms, there was no scope for raising the funds to finance such a new second-tier benefit. We agreed that there would be too many losers from a reduction in the level of Child Benefit to finance this new second-tier benefit within a given total of public expenditure. On the other hand, if such a new benefit could be established, it could be a vehicle for reducing public expenditure in total. Not uprating Child Benefit would be easier to defend if the least well off were being protected by uprating the second tier of the benefit; and savings might be generated for use in raising tax allowances if the reduction in expenditure outstripped the cost of the sweetener.

Tax

Mr Newton thought that the tax system was unfairly generous to two-earner families (a view also held by the Chancellor). For a given level of tax expenditure, he would prefer a family tax allowance rather than one for the married man which could then be supplemented by a wife's earned income allowance. He believed that it would be politically attractive to identify the family more explicitly in the tax system, and might also make it easier to cut back Child Benefit in the medium term.

We agreed that the IFS book had stimulated some rather ill-informed comment about the scope for merging the tax and

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benefit systems. I suggested that the Green Paper on Benefits would need to explain very clearly what was possible after computerisation, and what was being done to ensure that benefit computers should speak unto tax computers. But it would also have to explain why some of the wilder schemes for a total merger of the two systems were not feasible.

David Willetts

DAVID WILLETTS

CONFIDENTIAL



Prime Minister 25.
AF
5/4

Ref. A084/2961

MR BUTLER

Thank you for your minute of 2 November, asking me to consider urgently whether there is any way in which the developments reported in Box 500 Report POLF 299-24/SB(8CO)/F2N/1 could be prevented.

2. There are no powers which could be used to prevent the transfer of funds from abroad to the National Union of Mineworkers (NUM) or to somebody nominated to receive them on behalf of the NUM in this country.
3. Once received by or paid to the account of the NUM in this country, such funds would be of considerable interest to the sequestrator. The NUM could be expected to try to keep any such funds away from his grasp or notice.
4. It is probable, therefore, that funds would be remitted in the first instance to an account in a European centre - for instance, to an unnamed account in a Swiss bank - and that the transfer from there to this country would take the form of a movement of bank notes. If a representative of the NUM could be detected entering this country with a suitcase full of bank notes, it might be possible to arrange for him to be stopped and searched by Customs. They would have no power to impound the notes, but they would inform the Inland Revenue and the police of any suspiciously large volume of banknotes which they detected. Such a discovery might well leak: the Customs can be a deplorably leaky organisation, and so can the police. There is also the alternative of reporting it to the sequestrator.
5. Those concerned are exercising vigilance for any indications of movements of NUM staff to foreign destinations which might be for the purpose of collecting consignments of notes.



6. If we become aware of any movements of funds to the beneficial account of the NUM through banking channels, they can be discreetly reported to the sequestrator.

7. Mr Scargill has already admitted to being in contact with and receiving assistance from Soviet and other East European trade unions. Steps are being taken to prompt journalistic inquiries of Mr Scargill as to whether he or other members of the NUM have been in contact with the Soviet or any other East European embassy to discuss or receive the provision of aid. His replies are likely to be evasive if not deceitful; but the fact that they are so could well sooner or later become a matter of public knowledge.

8. I am afraid that this is not certain to yield results, but I am satisfied that it is the best we can do. I have made arrangements to give very quick consideration of possible courses of action, if those who are exercising vigilance get a break which we can exploit.

RIA

ROBERT ARMSTRONG

5 November 1984



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

The Rt Hon Stan Orme MP
House of Commons
LONDON
SW1A 0AA

2 November 1984

Thank you for your letter of 1 November.

I know you would like this dispute settled, and know that the Labour Party is deeply embarrassed at being closely associated with the methods and objectives of Mr Scargill. But I must repeat I think that he succeeds in taking you and your party for a ride on very frequent occasions.

As an honourable man you now know that he took you for a ride when you suggested he was in agreement with two ACAS papers. You discovered later that these were the papers which described his views.

You must now know that he has taken you for a ride over his latest claims concerning the NCB paper on the North East. The extract he refers to examines objectively what will happen to the existing pits in the North East between now and the end of the century if there were to be no further major investment. It is not a 'hit-list', but an engineers' assessment of the current position. The paper illustrates that on existing programmes there would be a progressive fall in production in the North East during the 1990s.

The Coal Board have made it clear to me that demand for coal in the North East is such that they will seek to maintain production at around its present levels. Therefore this report, sensibly commissioned, helps to illustrate the scale of new activity and investment required.

Let me answer each of your questions. You mention a specific colliery - Herrington. The agreement the National Coal Board have willingly reached with NACODS makes it clear that no colliery will be closed unless it has gone through the colliery review procedure which has been used under Labour and Conservative Governments for years. In addition, there will be a new ingredient - if either side wishes, an independent review body will give its observations on any proposed closure before a decision is made.



Second, you asked whether other projections exist. I hope that the Board are looking at every area in the same positive way that they have looked at the North East, so that they can calculate in engineering terms the run down over the decades ahead and therefore the necessary scale of new investment and new exploration.

As to your third question, naturally engineers in the North East were involved in the assessments made about that area. They are the engineers who know it best, and they therefore provided the information required for drafting such a document.

All your questions have now been answered. I hope you now share my view that Mr Scargill has behaved outrageously and misleadingly by describing this document as a 'hit-list', and thereby endeavouring to raise the fears of miners in the North East. Perhaps you will now join me by explaining that this document enables the Board to assess the extent of the new investment which will be required.

As you have asked me some specific questions, let me give you one or two:

(i) Yesterday the national executive of the NUM was split from top to bottom. Arthur Scargill did not want a ballot, and succeeded by 11 votes to 9 in stopping the question of a ballot coming up. Are you in favour of the 9 or the 11? Months ago, when Scargill changed the NUM's rules on balloting, Neil Kinnock expressed the view that this would enable a ballot to take place. Do you support Mr Scargill in rejecting a ballot? Does your leader still want a ballot and do you want a ballot? Do let us know - yes or no.

(ii) Do you or do you not support the NACODS agreement? Do you think NACODS were irresponsible, after patiently negotiating, to reach such an agreement? Do you think this agreement has weaknesses? Do you share Arthur Scargill's view that it is a meaningless agreement and should be rejected?

(iii) Do you consider it was wrong for a third of the miners belonging to the NUM to abide by their union's normal traditions and have a ballot before taking strike action? Do you criticise them for voting so overwhelmingly against the strike?

On these three questions please let us have three answers - publicly declared. Then the country can judge whether you and the Labour Party are in favour of the two unions - NACODS and BACM - who have conducted their procedures in the best traditions of the trade union movement and the third of the NUM's members who balloted and acted in accordance with the view of the majority, or whether you and the Labour Party are in favour of Arthur Scargill. If this is the latter I must say that you will be in pretty unpleasant company both at home and abroad.



PETER WALKER

NOVEMBER 2, 1984

Speaking in London today, Mr Peter Walker, Secretary of State for Energy said:

"During the week, as miners recognised the nature of Mr Scargill's approaches to Libya and his refusal to negotiate for a settlement, there has been every indication of the ordinary miner wishing to get back to work.

"In Scotland at Bilston Glen, where a month or two ago there was but a handful of people courageous enough to work, attendance figures went through the 200 barrier.

"In Yorkshire, at every pit where there were men at work in spite of massive and violent picketing, there were no declines in attendance, but a whole range of increases.

"But in North Derbyshire, a centre of violent picketing, the region between the militancy of Yorkshire and the working activity of Nottinghamshire, dramatic changes have taken place. Last Friday 184 miners went to work at Shirebrook; this Friday there were 286. At Warsop - a record attendance. At Whitwell, where but a few weeks ago the first man had the courage to attend, 29 people went in today. And even at Arkwright, where this morning 1,000 pickets tried to stop anybody going into work and were addressed by Militant Tendency hero Tony Benn, three times as many men went in this week as last Friday.

"The Western Area has had record attendances since the dispute started.

"The reality is that the miners today, as with the National Executive of the NUM yesterday, increasingly realise this is a senseless dispute which is only damaging the coal industry, the miner, the miner's family, and the mining communities."

SECRET AND PERSONAL

24

Prime Minister⁽²⁾

not

Daily Coal Report - Friday 2 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	26	-
(iv) On strike/picketed out	93	-

Encouragingly, the tailing off of attendances which normally takes place on a Friday did not happen today. In the key area of North Derbyshire attendances in fact rose: at Shirebrook colliery, scene of some of the most bitter picketing during the strike, 41 new faces reported on the morning shift bringing the total to a new record 286. In the Coal Board's Western Area there was the best ever morning shift attendance of 63% overall.

Coal Movements

180,000 tonnes were moved yesterday, bringing the prospect that movements for the week might once again exceed 900,000 tonnes.

39 coal trains ran.

Law and Order

There was the usual skirmishing in Yorkshire but elsewhere it was relatively quiet.

Coal Board Initiatives

The Board announced two important developments today.

Its new job creation subsidiary, NCB (Enterprise) Ltd announced its first loan to a former miner. This is the first tangible demonstration of the Board's

SECRET AND PERSONAL

SECRET AND PERSONAL

Efforts to generate alternative job opportunities in the mining areas. A copy of the Board's press announcement giving details is attached.

The Board also announced that miners who returned to work could qualify for a Christmas bonus. For example, men on power loading rates who were present on Monday 19 November and who kept up the necessary attendance qualifications could receive a gross wage of £658 on Friday 21 December, including a £70 service bonus. Men on underground rates could receive £544 gross. This offer was later attacked by Scargill, which suggests that it might prove effective.

Correspondence with the Opposition

In an exchange of correspondence with Mr Orme, the Secretary of State for Energy has challenged the Labour Party to provide public answers to a number of key questions. Correspondence attached.

Line to Take

Please refer to speaking note circulated yesterday. Also, emphasise questions in Secretary of State's letter to Mr Orme

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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

SECRET AND PERSONAL

NCB

Public Relations

RB FINAL CLEARANCE AWAITED

National Coal Board
Hobart House, Grosvenor Place
London SW1X 7AE
Telephone: 01-235 2020

NCB (ENTERPRISE) COMPANY IN BUSINESS

First Loan Made to Ex-Mineworker

The NCB's new job-creation subsidiary, NCB (Enterprise) Ltd. held its first meeting on Tuesday (October 30) and its Chairman, Mr Merrik Spanton, National Coal Board member for Personnel, has announced its first loan, to a former employee.

The loan is to Mr Michael Ralton, 34, a mechanical engineer who now runs a transport business in Fife.

Mr Ralton took voluntary redundancy in May 1984 from Solgirth Mine in Fife. By combining his redundancy pay and other savings he bought two commercial vehicles and now operates a parcels delivery service.

In September the Scottish Development Agency offered him a lease on factory space in Cowdenbeath which will enable him to expand his business and store parcels for delivery by arrangement with a national distributor. The proposed development could lead to the creation of four jobs in the first year with a probability of a further three in the second.

Mr Merrik Spanton said today: "I am pleased, but by no means surprised, that our first payment has gone to a former employee. My years in the industry have convinced me that there is a great deal of commercial flair evident among our workforce at all levels - many people who have left the industry have gone on to form successful businesses."

(more)

NOV 02 09 12:00 NCB LONDON

Mr Spanton emphasised that lending would not be limited to ex-Board employees. "We will be pleased to hear from new businesses or existing firms wishing to relocate and we will assist with the provision of premises or support through equity or loan capital financing. Provided a company or individual entrepreneur will provide a significant proportion of jobs for ex-NCB workers, we are prepared to consider their proposition," he said.

The enterprise company is one aspect of the National Coal Board's initiative and this direct effort will be complemented by retraining for miners seeking work outside the coal industry and by increased support of established enterprise agencies. These agencies have had considerable success in encouraging new businesses in their localities and Mr Merrick Spanton announced that the NCB would be seconding Tony Fox, a 56 year old financial accountant to the newly formed Agency at Blaenau Gwent (Ebbw Vale).

Applicants for support under NCB (Enterprise) Ltd should write to Martyn Sloman at Hobart House.

Note to Editors: Further details and a picture of Mr Ralton are available from NCB Public Relations Dept., Scottish Area, Green Park, Greenend, Edinburgh, EH17 7PZ. 031 664 1461

- end -

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Press Office (1925)

2 November 1984

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CO J

NOV 02 12 12 NCB LONDON

NCB

Public Relations

~~NO. FINAL CLEARANCE AWAITED~~

National Coal Board
Hobart House, Grosvenor Place
London SW1X 7AE
Telephone: 01-235 2020

NCB (ENTERPRISE) LTD. ESTABLISHED

"We are aiming to help small businesses in particular," says Chairman

The National Coal Board's new job creation subsidiary, NCB (Enterprise) Ltd. came into being on 8th October, 1984. The Company has a basic share capital of £1 million, and is a wholly-owned subsidiary of the National Coal Board. It will initially have available £5 million to help create new businesses and job opportunities to alleviate unemployment in mining areas. It is intended that all such businesses should employ a significant number of ex-miners and other former employees of the Board.

The Board of Directors of NCB (Enterprise) Ltd held their first meeting on 30th October. The Directors are:

- Mr Merrik Spanton - Chairman (NCB Board Member for Personnel)
- Mr Tommy Macpherson - (a part-time Member of the National Coal Board and former Chairman of Mallinson-Denny)
- Sir Melvyn Rosser - (a part-time Member of the National Coal Board, partner in Deloitte, Haskins and Sells, and Member of the MSC)
- Mr David Brandrick - (Secretary to the National Coal Board)
- Mr John Northard - (Director, NCB Western Area)
- Mr Philip Weekes - (Director, NCB South Wales Area)

Secretary to the Company is Mr Geoffrey Matthews. An executive director, to carry out the day-to-day running of the Company, has yet to be appointed.

Cont'd/....2

COJ

NOV 02 12:14 NCB LONDON

An early decision of the Company has been for it to concentrate initial efforts on helping smaller enterprises by means of advances or other assistance. Company Chairman, Merrick Spanton, said today:

"It is clear from our early investigations that there is an important gap to be filled in helping small-scale businesses - particularly in the service sector. Through the £5 million provided by the National Coal Board, we are aiming to meet this need. So, as well as hearing from companies, we hope to get approaches from enterprising individuals. We can promise them a sympathetic hearing - and an early response to any applications they make."

- end -

Press Office (1929)

November 2, 1984

0081P



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

File

Prime Minister (2)

*A further exchange. We
 await Mr Orme's answers to*

The Rt Hon Stan Orme MP
 House of Commons
 LONDON
 SW1A 0AA

2 November 1984

the questions on page 2.

[Handwritten signature]

Thank you for your letter of 1 November.

I know you would like this dispute settled, and know that the Labour Party is deeply embarrassed at being closely associated with the methods and objectives of Mr Scargill. But I must repeat I think that he succeeds in taking you and your party for a ride on very frequent occasions.

As an honourable man you now know that he took you for a ride when you suggested he was in agreement with two ACAS papers. You discovered later that these were the papers which described his views.

You must now know that he has taken you for a ride over his latest claims concerning the NCB paper on the North East. The extract he refers to examines objectively what will happen to the existing pits in the North East between now and the end of the century if there were to be no further major investment. It is not a 'hit-list', but an engineers' assessment of the current position. The paper illustrates that on existing programmes there would be a progressive fall in production in the North East during the 1990s.

The Coal Board have made it clear to me that demand for coal in the North East is such that they will seek to maintain production at around its present levels. Therefore this report, sensibly commissioned, helps to illustrate the scale of new activity and investment required.

Let me answer each of your questions. You mention a specific colliery - Herrington. The agreement the National Coal Board have willingly reached with NACODS makes it clear that no colliery will be closed unless it has gone through the colliery review procedure which has been used under Labour and Conservative Governments for years. In addition, there will be a new ingredient - if either side wishes, an independent review body will give its observations on any proposed closure before a decision is made.

*Dms
 2/11*



Second, you asked whether other projections exist. I hope that the Board are looking at every area in the same positive way that they have looked at the North East, so that they can calculate in engineering terms the run down over the decades ahead and therefore the necessary scale of new investment and new exploration.

As to your third question, naturally engineers in the North East were involved in the assessments made about that area. They are the engineers who know it best, and they therefore provided the information required for drafting such a document.

All your questions have now been answered. I hope you now share my view that Mr Scargill has behaved outrageously and misleadingly by describing this document as a 'hit-list', and thereby endeavouring to raise the fears of miners in the North East. Perhaps you will now join me by explaining that this document enables the Board to assess the extent of the new investment which will be required.

As you have asked me some specific questions, let me give you one or two:

(i) Yesterday the national executive of the NUM was split from top to bottom. Arthur Scargill did not want a ballot, and succeeded by 11 votes to 9 in stopping the question of a ballot coming up. Are you in favour of the 9 or the 11? Months ago, when Scargill changed the NUM's rules on balloting, Neil Kinnock expressed the view that this would enable a ballot to take place. Do you support Mr Scargill in rejecting a ballot? Does your leader still want a ballot and do you want a ballot? Do let us know - yes or no.

(ii) Do you or do you not support the NACODS agreement? Do you think NACODS were irresponsible, after patiently negotiating, to reach such an agreement? Do you think this agreement has weaknesses? Do you share Arthur Scargill's view that it is a meaningless agreement and should be rejected?

(iii) Do you consider it was wrong for a third of the miners belonging to the NUM to abide by their union's normal traditions and have a ballot before taking strike action? Do you criticise them for voting so overwhelmingly against the strike?

On these three questions please let us have three answers - publicly declared. Then the country can judge whether you and the Labour Party are in favour of the two unions - NACODS and BACM - who have conducted their procedures in the best traditions of the trade union movement and the third of the NUM's members who balloted and acted in accordance with the view of the majority, or whether you and the Labour Party are in favour of Arthur Scargill. If this is the latter I must say that you will be in pretty unpleasant company both at home and abroad.


PETER WALKER



HOUSE OF COMMONS
LONDON SW1A 0AA



Rt Hon Peter Walker MP
Secretary of State
Department of Energy
Thames House
Millbank
London SW1P 4QJ

1st November 1984.

Dear Peter,

I was shocked and disheartened by the frivolous tone of your response to my letter yesterday.

I hope you will acknowledge that from the very outset of this dispute I, in my capacity as Energy Spokesman for the Labour Party, have done everything possible to enable a negotiated settlement to be reached. My activities were those that should have been pursued by yourself and your colleagues.

Instead of answering my letter seriously you have replied in a way that is neither constructive nor helpful. We in the Official Opposition appear to be the only ones who are tackling the issues inherent in this dispute in a responsible manner.

I would therefore be grateful if you would answer my specific questions:

1. Do other such projections exist for other NCB areas, and if so, will you publish them?
2. Is Herrington colliery still scheduled for closure by the NCB?

You stated that the secret document on the North East coalfield had been prepared by mining engineers in the North East. Yet newspaper reports today indicate that the document was prepared by the NCB in London, and indeed, that it is causing serious embarrassment to the North East area coal board management.



Following the breakdown of the talks at ACAS it is incumbent on the Government, and yourself in particular, to take positive steps to facilitate the return of the parties to the negotiating table.

Yours sincerely

Stan Orme MP

(Dictated by Stan Orme and signed in his absence)



FUE - COAL DISPUTE

RW

23

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

BE // The Prime Minister was greatly concerned by the contents of the Box 500 report - reference POLF299-24/SB(8CO)/F2N/1. She has asked if you could consider urgently whether there is any way in which these developments could be prevented, whether by denunciation or otherwise.

2 November, 1984

CONFIDENTIAL

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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Fowler MP
Secretary of State
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London
SE1 6BY

*Norman
Fowler
24*

2 November 1984

Dear Secretary of State,

SUPPLEMENTARY BENEFIT FOR STRIKERS

attached

Thank you for your letter of 28 October.

2 I am content with your proposals both on the £15 deduction and on supplementary benefit for sick strikers. I believe it is right in both cases that the law should take its course. I agree however that you should continue to pay supplementary benefit to a sick striker already receiving it, on an extra statutory basis, although of course it will be necessary to exercise special care to ensure that this provision is not abused.

3 I am copying this letter to the Prime Minister, Willie Whitelaw, Leon Brittan, Nigel Lawson, Peter Walker, Michael Heseltine, George Younger, Norman Tebbit, Tom King, Nicholas Ridley, David Young and to Sir Robert Armstrong.

Yours Sincerely,
Peter Rees
PETER REES

*(approved by the Chief Secretary
and signed in his absence)*

CONFIDENTIAL

*With the compliments of
the Legal Secretary*

H. STEEL

*Law Officer's Department,
Royal Courts of Justice,
Strand, W.C.2.*



01-405 7641 Extn

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

Handwritten:
DMS
2/11

2 November, 1984

Dear Francis,

The Prime Minister's Private Secretary has passed to me a copy of your letter to her of 22 October 1984.

I was disappointed to see that you still appear to assume that a decision not to prosecute Mr Scargill has been taken on what I might call "public interest" grounds. As I have explained at some length, that is not so. The simple fact is that neither I nor the Director of Public Prosecutions has been presented with any satisfactory evidence on which we could found a prosecution of Mr Scargill for the sort of offence you envisage.

In the third paragraph of your letter you raise the general question of when there should or should not be a prosecution for a criminal offence which Parliament has created. This question is fundamental and is not restricted to statutory offences. It can, equally pertinently, be asked in relation to offences at Common Law. It is one which I, the Director of Public Prosecutions, Chief Officers of Police, and all others who prosecute in the public interest have constantly to address.

In February 1983 I issued my "Guidelines on the Criteria for Prosecution", a copy of which I now enclose. They were circulated to all County Prosecuting Solicitors and to other prosecuting authorities (such as Customs and Excise) and also, by the Home Secretary, to all Chief Officers of Police. My purpose in issuing this informal guidance was to help to promote consistency in decision-taking even in advance of the new arrangements for prosecutions which we were then considering in the light of the report of the Royal Commission on Criminal Procedure. As you know, we have now decided to create an Independent Prosecution Service under my control (through the DPP), and a Bill will be introduced for this purpose in the forthcoming session.

/When



-2-

When that Service comes into operation, it will of course observe my Guidelines, which will also continue to be observed by other prosecuting authorities.

My Guidelines are indeed no more than guidance as to the relevant principles and considerations and they are, in the nature of things, not enforceable in the courts. But I emphasise that, so far as concerns a possible prosecution of Mr Scargill for the type of offence which we have been discussing, the result would be no different if they were. The question in Mr Scargill's case, as I have repeatedly explained, has been one of sufficiency of evidence; and considerations relating to the discretion whether or not to prosecute (as discussed at paragraphs 8 and 9 of the guidelines) just have not arisen.

Yours Gra, Michael

Francis Bennion Esq
62 Thames Street
OXFORD OX1 1SU

bc: D Barclay, Esq

SECRET AND PERSONAL

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22

HT 1/14

Daily Coal Report - Thursday 1 November 1984

MS

MS

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	26	-
(iv) On strike/picketed out	93	-

A further pit - Shireoaks (Yorkshire) - has moved from category (iv) to (iii).

Attendances have again strengthened slightly. Bilston Glen in Scotland had a record 201 on the morning shift. Elsewhere the main improvement was in North Derbyshire, where the 24 hour attendance record of 1,187 was 50 up on yesterday.

Coal Movements

A good day. 186,000 tonnes were moved yesterday.

41 coal trains ran.

Law and Order

There were the usual number of pickets in Yorkshire, but no large scale disturbances have been reported.

Mr John Evans MP, who was one of 24 people arrested during a picket of Parkside pit, St Helen's, last August was today found guilty of obstructing the police. He was given an absolute discharge and ordered to pay £50 costs.

SECRET AND PERSONAL

SECRET AND PERSONAL

Breakdown of Negotiations

Board spokesman said this morning that they saw no sign that the NUM was interested in resolving the dispute through negotiation. There was therefore no point in anticipating any resumption of talks.

The NUM national executive met today and decided to call a national delegate conference in Sheffield on Monday. Scargill claimed to the media that this was for "the purposes of further ensuring that the strike is effective, in order to bring about a settlement of the dispute which results in withdrawal of the pit closures programme".

Scargill also said the executive committee would invite Mr Kinnock and TUC General Secretary Norman Willis to chair the platform at 5 major rallies which would follow the delegate conference.

High Court Action

Members of the national working miners' group have issued writs against individual members of the NUM executive in an attempt to force payment of the £200,000 contempt of court fine imposed on the union last month. The executive members are being sued to the full extent of their personal assets.

Line to Take

- Suggested speaking note attached.

[Also attached for information is a copy of the NCB document which formed the basis of the deal with NACODS].

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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

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10 DOWNING STREET

From the Private Secretary

1 November, 1984

SUPPLEMENTARY BENEFIT FOR STRIKERS

The Prime Minister has seen your Secretary of State's letter to the Chief Secretary of 28 October. She is content with his proposal to raise the deduction on account of deemed strike pay from £15 to £16. She is content also with his proposal to accept the Chief Adjudication Officer's finding that strikers who go sick should continue to be treated as strikers for the purpose of supplementary benefit.

I am sending a copy of this letter to Janet Lewis-Jones (Lord President's Office), Hugh Taylor (Home Office), David Peretz (HM Treasury), Michael Reidy (Department of Energy), John Graham (Scottish Office), Callum McCarthy (Department of Trade and Industry), David Normington (Department of Employment), Dinah Nichols (Department of Transport), Richard Broadbent (HM Treasury), Leigh Lewis (Office of the Minister without Portfolio) and to Richard Hatfield (Cabinet Office).

(Andrew Turnbull)

S. Godber, Esq.,
Department of Health and Social Security

CONFIDENTIAL

Handwritten signature or initials.

cc: DW
cc: BUP(2)

FILE

67

CONFIDENTIAL



FILE

cc: DW
RM

10 DOWNING STREET

From the Private Secretary

1 November, 1984

PAYMENT OF STRIKERS' HOUSING COSTS

The Prime Minister has seen the Lord President's report of the discussion in H Committee and agrees that, the Secretary of State for Social Services should proceed with the proposals he put to the Committee. She was pleased to see that her suggestion that payments relating to mortgage interest should be in the form of a loan is being considered further. She feels that, for the time being, this should be confined to those on strike.

She has noted that the loophole identified on housing benefit is being blocked.

I am sending a copy of this letter to the Private Secretaries to members of Cabinet and to Alex Galloway (Paymaster General's Office), Murdo Maclean (Chief Whip's Office) and to Richard Hatfield (Cabinet Office).

(Andrew Turnbull)

Miss J. Lewis-Jones,
Lord President's Office

CONFIDENTIAL

A handwritten signature in dark ink, appearing to be 'AS' or similar initials.

subject a master

Copy No 1 of 2 copies

21 A

SECRET

RECORD OF A MEETING HELD IN THE PRIME MINISTER'S ROOM, HOUSE
OF COMMONS, AT 2215 HRS ON TUESDAY, 30 OCTOBER, 1984

Present:

Prime Minister
Secretary of State for Energy
Secretary of State for Employment
Mr. Alison
Mr. Smith
Mr. Butler
Mr. Turnbull

Mr. Smith reported on developments prior to talks at ACAS on Wednesday between the NUM and NCB. His view, which was shared by Mr. Lowry, was that there was virtually no prospect of a settlement. Mr. Scargill was not interested in settling on any terms which would be remotely acceptable to the NCB. He would continue his campaign even if, in narrow terms, the industrial dispute were lost as this would represent a further stage in raising the political consciousness of working people.

The NCB's objective should be to demonstrate that it had made every effort to secure a reasonable settlement and that if this could not be secured the talks should be brought to an end with the NCB holding the moral advantage. Their presentation should be that they had taken part in over 120 hours of talks, they had been ready to accept the ACAS formulation in talks with the NUM, they had entered into further talks with NACODS and had reached a settlement which was acceptable to both parties and were now offering

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this formula to the NUM. Regrettably the latter had refused to make any movement. The NCB would always be ready to talk if there were any movement.

In discussion it was agreed that NCB strategy should be to bring the talks to an end while holding the "high ground". There was a danger in offering to re-open talks if the NUM showed some sign of movement. It would be better not to volunteer such an offer but, if questioned, indicate that if the NUM were prepared to re-consider their attitude to the NACODS formula and this would have to represent a substantial move not merely a minor concession talks could be re-opened.

Mr. Smith said ACAS had been doing some work against the contingency that the NCB did not handle its exit from the talks skilfully. It was possible that the NCB, if driven into a corner, could ask ACAS to prepare a further text marrying the drafts submitted by the two papers last week.

The meeting then considered the text which ACAS had drafted. It was agreed that it was far better for NCB to engineer its exit without having to call upon an ACAS paper. While the ACAS text was as close to the NCB text as it could be while appearing to be a separate paper, it had two defects.

First in paragraph 5, it referred to "full weight will be given by the parties to the advice of this independent review body". The addition of the phrase "by the parties" further blurred the NCB's management responsibilities. On further inspection it was discovered that this phrase, which did not appear in any of the earlier texts, had been included in both the NCB and NUM drafts given to ACAS at the end of last week. This suggested that it had emerged from discussions which Mr. Ned Smith and Mr. Hunt had had at

SECRET

SECRET

3

ACAS after the last talks were adjourned. A telephone call by Mr. Walker to Mr. McGregor revealed that the latter was not fully aware of the existence of this change in drafting. Though it would be difficult for the NCB to withdraw a text it had already offered. It would have been better if the sentence in question had read "Full weight will be given by the NCB in discharge of its statutory duties to the advice of this independent review body".

Secondly, the last sentence of paragraph 6, which appeared to be ACAS' own drafting, referred only to the Plan for Coal. A reference to the associated documents was needed.

Summing up the discussion the Prime Minister said Mr. McGregor should be encouraged to bring the talks to an end unless the NUM were prepared to accept the NACODS formula. No advance, other than clarification, could be made on the NACODS' offer without undermining the position of NACODS. ACAS should be made aware of the defects in their document but should be strongly discouraged from tabling such a document.

Mr. Walker added that any discussion about the position and terms of reference of the review body should take place after a return to work and argument about it should not be allowed to become part of the negotiations.

AT

31 October, 1984

RAMAFV

SECRET

From: Rt Hon Stan Orme MP



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Peter Walker MP
Secretary of State for Energy
Thames House
Millbank
London SW1P 4QJ

Coal
file

31 October 1984

Dear Secretary of State

Last night I was handed by the President of the National Union of Mineworkers, Mr Arthur Scargill, a document concerning pit closures in the North East. I enclose a copy of this document.

This document which was authenticated by the National Coal Board last night has serious implications for the coal industry.

I would like you to answer a number of questions which this 'Secret' document raises:

1. On Thursday 18 October, in your message to the Leader of the Opposition, you specifically denied the existence of a 'Hit List' of pit closures. The enclosed document exposes the existence of such a list - at least in the North East area. Do you still deny that the NCB has planned a pattern of pit closures?

2. As the document is dated October 1984, we assume this was drawn up following the settlement agreed between NACODS and the NCB. Yet Paragraph 7 of the enclosed document names Herrington as one of those pits designated for closure by 1987/88. This calls into question the interpretation put on the settlement with NACODS by both the Government and the NCB. We have been led to understand that the closure of the five pits named in the NCB/NACODS Agreement had been rescinded. Will you confirm that

Herrington Colliery is still scheduled for closure by the NCB?

3. The Chairman of the NCB has maintained that his planned 4 million tonnes reduction in capacity would bring production to the "bottom line". Paragraph 5 of the enclosed document envisages a reduction in capacity for the North East area from 11 million tonnes to 5 million tonnes over the next 15 years. Do similar projections exist for the other NCB areas? If so, can we really believe that the Chairman's thesis on future capacity is correct?

4. Arising from the above I must ask you to publish forthwith any such documents which exist for other NCB areas.

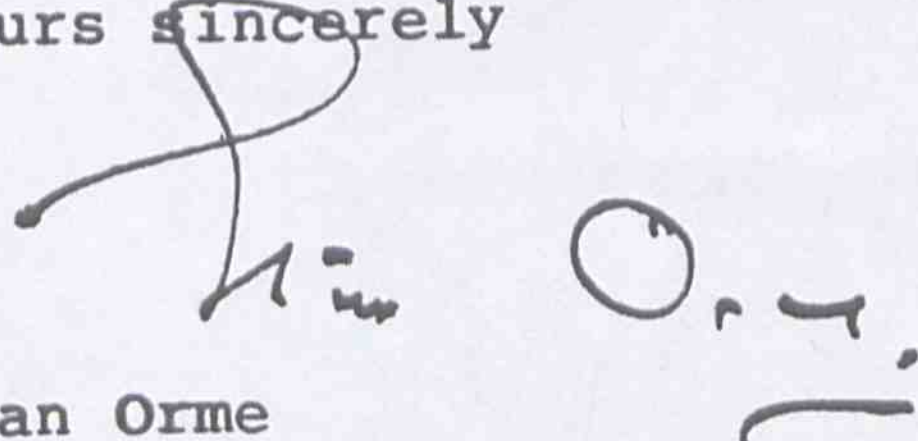
The document strengthens the National Union of Mineworkers case for the withdrawal of the March 6th proposals and the withdrawal of the threatened closure of the five named pits.

I feel because of the importance of this matter, and the effect it could have on the current ACAS talks, which we want to succeed, you should clarify this matter by making an immediate statement. The House is entitled to a full explanation, and I urge you to give this statement at the earliest moment in the new Parliamentary session.

Because of the urgency of this case, I am sending this letter by hand and will be issuing it to the Press later.

I would appreciate a full and early response.

Yours sincerely


Stan Orme

Secret

NORTH EAST AREA

1. Area's main objective is to reach a break-even situation within the next five years. Implicit in this is the policy to run down manpower in the Area and at the same time increase efficiency. Capacity would be maximised where realistically and economically possible although there is only limited scope to achieve this.

Reserves

2. Reserves inland are virtually exhausted with over 90% of the Area's probable workable reserves lying under the sea. Reserves available to deep-mines amount to 357m. tonnes with some 325m. tonnes expected to be recoverable. Of these reserves just over one third (118m. tonnes) are classified.

3. The major proportion of the Area's workable reserves are located in the Durham coalfield where some 286m. tonnes (81% of total) are available, mainly offshore, to the large coastal collieries. In Northumberland, only Ellington (29m. tonnes) of the five remaining collieries in the County has a significant amount of expected workable reserves although Whittle (with only 4.5m. tonnes) in the extreme North has sufficient coal to support production for 10 years. Despite a reasonable quantity of reserves (almost 29m. tonnes) at Bates, only 2.5m. tonnes are considered as probably workable since much of the total reserves are in the Threequarter seam which, from experience, has not proved a successful workable proposition.

4. A northern extension to the Wearmouth reserves (additional 150m. tonnes) has been successfully proved and is being accessed whilst proving of the Amble offshore reserves has shown the southern area to be the best. These reserves will be accessed from Ellington. There are no further reserves within the Area boundary which could support a new mine prospect.

Capacity

5. Deep-mined capacity will decline, from the present level of around 11m. tonnes, progressively over the next ten years to 6/6¾m. tonnes by 1995/96 with only six coastal collieries remaining — Ellington in Northumberland and Dawdon, Easington, Vane Tempest, Seaham, Wearmouth and Westoe in the Durham coalfield. By the year 2000 capacity is expected to further decline to just over 5m. tonnes as workable reserves continue to exhaust at the remaining collieries.

Manpower

6. Area manpower is projected to reduce from the present level of just over 22,000 to around 16,500 by 1987/88 providing for the proposed closure of Bates, Brenkley, Horden and Sacriston and also rundown at Hawthorn. By 1995/96 it is planned that the total number of men will have fallen to around 10,000 to serve the six remaining collieries. Area anticipate major industrial relations problems related to closure and rundown at the large collieries particularly Hawthorn.

Collieries

7. The number of operating collieries over the period is projected as follows:-

Start 1984	1987/88	1990/91	1995/96	2000
15	9	8	6	4

The pattern of colliery closures would be thus:-

By end 1987/88	By 1990/91	By 1995/96	By 2000
<u>Bearpark</u>	<u>Ashington</u>	<u>Hawthorn</u>	<u>Dawdon</u>
<u>Bates</u>		<u>Whittle</u>	<u>Vane Tempest/Seaham</u>
<u>Brenkley</u>			
<u>Herrington</u>			
<u>Horden</u>			
<u>Sacriston</u>			

Production

8. Area plans provide for deep-mined production as follows:-

	1983/84 (m. tonnes)	1987/88 (m. tonnes)	1990/91 (m. tonnes)	1995/96 (m. tonnes)	2000 (m. tonnes)
Without investment	12.00	9.50	8.70	6.00	4.65
With investment		9.50	9.99	6.68	5.37

9. Tonnage levels show a steady decline as collieries run out of workable reserves and the thicker seams at some of the large coastal collieries (e.g. Easington and Ellington) are exhausted. At Dawdon the longer term future of the colliery depends on the workability of zone 29 where seams are steeply inclined. Area are not currently optimistic on the colliery continuing after 1996.

10. The only scope for incremental tonnage is at Wearmouth where output is projected to rise up to 2m. tonnes (with 1987/88 at present level of 1.2m. tonnes) following the development of Zone C and the introduction of a new seam.

... see no scope for increasing tonnage levels should they be required in the short term.

Productivity

11. Area project a steady growth in output per manshift over the next five years as the low productivity, less efficient collieries close.

	1983/84 tonnes	1987/88 tonnes	1990/91 tonnes	1995/96 tonnes
Without investment	2.26	2.68	2.75	2.78
With investment		2.68	2.79	3.00

12. Without investment productivity growth slows after 1987/88. The benefit, however, of investment to produce incremental tonnage from Wearmouth and improved efficiency at Westoe during the 1990's (coal being conveyed underground to Wearmouth and producing a significant job saving) is clearly demonstrated by continuing productivity growth to 3 tonnes a manshift by 1995/96.

13. Average productivity growth over the whole period to 1995/96 is projected at just under 2% a year without investment and 2¼% a year with investment.

Cost Per Tonne

14. Movement in Area operating cost per tonne can be seen as follows:-

	1983/84 £	1987/88 £	1990/91 £	1995/96 £
Without investment	44.04	41.70	40.69	42.92
With investment		41.78	40.30	40.57

15. Individual collieries in cost tranches (assuming further investment) would be as follows:-

	1983/84	1987/88	1990/91	1995/96
£30 - £35		Ellington	Ellington	Wearmouth
£35 - £40	Brenkley Dawdon Ellington Westoe Whittle	Bates Dawdon Westoe Whittle	Dawdon Vane Tempest Wearmouth Westoe Whittle	Ellington Westoe
£40 - £45	Bates Vane Tempest Wearmouth	Ashington Easington Hawthorn Vane Tempest Wearmouth	Easington Hawthorn	Dawdon Easington
Over £45	Ashington Bearpark Easington Hawthorn Herrington Horden Sacriston			Vane Tempest

Without further investment in incremental capacity Wearmouth would remain in the £40 - £45 cost per tonne tranche throughout the period.

Profit/Loss

16. Area operating profit/loss situation is projected as follows:-

	1987/88 (£m)	1990/91 (£m)	1995/96 (£m)
Without investment	(8.5)	(3.1)	(14.6)
With investment	(7.5)	10.7	10.7

17. Area project that without further agreed major investment, and as a result of their policy to reduce substantially levels of manpower and close uneconomic capacity, a breakeven situation would be reached in 1988/89. As can be seen the situation declines thereafter with increasing losses by 1995/96.

18. With further major investment, however, Area project an improving result with profitable operations being achieved from 1989/90 onwards. Through the 1990's, with the benefit of incremental output, Wearmouth is projected to contribute an annual operating profit in excess of £25m.

Capital Investment

19. Capital required over the ten years to 1995/96 is projected at £319m. on the basis of no further major investment, £91m would be required for further major capacity related projects making a total requirement over the ten year period to 1995/96 £350m.

October 1984



10 DOWNING STREET

Prime Minister ①

Mr Fowler has responded
on two points raised by
Dennis Whitte

(i) he proposes to round
the £15 deduction to £16 at
the next uprating

(ii) he proposes to accept
the findings of the Chief
Adjudication Officer that
a striker who falls sick
remains a striker who
cannot claim SB on top
of contributory sickness
benefit.

Agree that he is taking
the right course on both?

Yes me

AT

31/10



10 DOWNING STREET

Prime Minister ①

It Committee has considered the payment of strikers' housing costs. It decided to go ahead immediately with the proposal to make payments for mortgage interest through a grant payable to the building society.

Your idea of making such payments a loan received some support but will take time to implement. Meanwhile Mr Fowler will go ahead as planned while your idea is investigated. David Willetts advises that the tougher regime be continued to strikers.

Content?

Temporarily
Yes

mb

AT

31/10

SECRET

31 October 1984

MR TURNBULL

PAYMENTS OF STRIKERS' HOUSING COSTS

Mr Whitelaw's letter reports that several members of H Committee think the new arrangements for paying mortgage interest direct to a building society should apply to all claimants rather than just strikers.

Obviously it is politically attractive to toughen the regime for everybody. But the costs of administering Supplementary Benefit, already too high, would rise further, because of the extra Girocheques paid to the building society. So the new scheme should be restricted to the 10,000 strikers getting their mortgage interest paid, rather than the 250,000 claimants receiving such payments. Otherwise we will need several hundred extra DHSS staff. That would be a politically unacceptable way of toughening the regime.

David Willetts

DAVID WILLETTS

SECRET

File

01 211 6402

The Rt Hon Stan Orme MP
House of Commons
LONDON
SW1A 0AA

31 October 1984

Dear Stan

Thank you for your letter of today's date dealing with the document that Arthur Scargill has waved in front of the media in the last 24 hours.

I must say Arthur Scargill is like a bus driver to the Labour Party. He takes you for a ride almost every day.

It was only a short time ago he embarrassed you by persuading you that the document which expressed his views represented the views of ACAS. I am sure it was not just the general public but you who recognised that the only documents he agreed with were the ones which reported his views.

Now Mr Scargill has got hold of documents prepared by NCB Engineers in the North East at the request of the Board, which provide factual information as to what will happen to the existing pits between now and the end of the century. Surprise, surprise, this document shows that many of the existing pits will be running out of coal in the 1990s. It really should not surprise you because as you well know during the last 11 years of Labour Governments 330 pits ran out of coal in accordance with decisions taken by those Governments.

This document has not been considered by regional management, nor the National Coal Board.

This is not a hit list document, it is an investment document. I am pleased to inform you that the Coal Board believe coal production in the North East needs to be maintained at the type of levels that exist today. So if the report of these engineers shows that existing pits will be running down during the 1990s, it means that some radical investment decisions will need to be taken by the NCB to maintain production levels.

As to your suggestion that this all took place after the NACODS meeting really! This report was asked for months ago. It has been prepared over the last 6 months.



I hope your Scargill-like mention of NACODS does not mean you are critical of the agreement they reached with the National Coal Board. The Labour Party are backing the wrong horse when they oppose the third of the British miners who voted against a strike in a democratic ballot; oppose NACODS who patiently negotiated their agreement; oppose BACM, the third mining union, who are totally against the strike; but support Scargill who not only goes against TUC guidelines on picketing but even his own union's guidelines on picketing, who refuses his members a ballot and who seeks financial support from Libya, the Soviet Union and Hungary.

You can always rely on the fact that when Arthur Scargill runs into difficulties he will produce some document and pretend that it is totally different to what it is. My only surprise is that what is described as the "alternative Government" is always taken in by his tactics.

With best wishes.

PETER WALKER

SECRET AND PERSONAL

21

Daily Coal Report - Wednesday 31 October 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	25	-
(iv) On strike/picketed out	94	-

Further encouraging increases today:

Scotland: (morning shift): 365 New Record 5 up on yesterday

Yorkshire: (morning shift): 96 New Record 3 more than yesterday. Seventh consecutive daily increase.

N Derbyshire: (24 hr figure): 1,137 New Record 22 more than yesterday

Western: (morning shift): 5,414 New Record 41 more than yesterday

(24 hr figure): 8,873 282 more than yesterday - second highest figure ever (record 8,909 on 19 October)

Coal Movements

175,000 tonnes were moved yesterday.

45 coal trains ran - a good total.

Law and Order

Once again the main incidents were in Yorkshire. 3,000 pickets at Kiveton Park pit threw stones and fireworks at police. 2,000 pickets gathered at Denby Grange and a further 1,200 at Allerton Bywater.

SECRET AND PERSONAL

Two men who tried to sabotage the power supply to the Orgreave coking plant are missing, feared dead, following an explosion.

NUM/NCB Negotiations

At the time of writing both sides were still at ACAS. There was no indication of progress.

"Hit-list" - Scargill's claim

Scargill's claim that the Board has a further hit list of pits to be closed in the North East is, as usual, a gross distortion. The document in question, prepared by mining engineers, is an analysis of different options. The two pages mentioned by Scargill represent a forecast of the effect of a "do nothing" scenario. In those circumstances output would inevitably decline. In fact, the intention is to maintain area output at the type of level that exists today.

The Opposition jumped on the bandwagon with a letter from Mr Orme. This letter, together with the text of Mr Walker's reply, is attached.

Mr Kirk

Press reports today have claimed that the Board's Director of Information, Mr Kirk, has been dismissed. A Board spokesman has said Kirk is on vacation.

CBI Quarterly Survey

It is encouraging that this survey confirms that the coal dispute continues to have little direct effect on manufacturing output.

Line to Take

As yesterday.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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



20

Ref. A084/2910

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

You will wish to invite oral reports from:

(i) the Secretary of State for Energy on:

the number of pits and miners working;

coal movements;

outcome of, or current position in, the latest talks between the NCB and NUM at ACAS;

45
10
26

93

(ii) the Secretary of State for Employment on:

an assessment of the role of the TUC since the NACODS settlement and prospects for effective pressure on Mr Scargill to reach a reasonable negotiated settlement;

(iii) the Home Secretary on:

picketing and intimidation;

progress in dealing with criminal cases;

(iv) the Secretary of State for Transport on:

the current state of play concerning the review of British Rail Engineering Ltd (BREL). (At the last MISC 101 Mr Ridley was invited to consult with a number of colleagues about the handling of the



forthcoming BREL review so as to ensure no opportunity would be created for the railway unions to order industrial action which would interfere with coal movement.)

2. On the assumption that the NCB/NUM talks at ACAS have broken down or show clear signs of so doing, you may wish to establish a line for Ministers to take in public statements during the next few days in order to:

clarify the confusion reported by the media about personality clashes within the NCB (with especial reference to Mr Eaton and Mr Kirk) and future options for pits in the North East (Mr Scargill's latest "hit list");

extract the maximum advantage from Mr Scargill's intransigence by comparison with NACODS reasonableness;

achieve, if possible, further exploitation of the "Libyan factor";

highlight the effect of the NUM strike on other people's jobs in the wake of the Parliamentary debate on 30 October and comments made the same day by the Chairman of the TUC.

You will also wish to seek agreement on which Minister is to speak on which subject(s).

Next Meeting

3. The next meeting of MISC 101 has been arranged for Monday 5 November at 11.00 am.

A handwritten signature in black ink, appearing to read 'R.A.' or 'RTA', written in a stylized, cursive script.

ROBERT ARMSTRONG

31 October 1984

Coal file.....
MINER/IAN BAIN
.....

GARY LLOYD: Ian Bain made his lone attempt to return to work in a Coal Board van. His police escort took him into the back gate to avoid a confrontation with angry pickets. Kinsley Drift mine has been closed for 8 months and was extensively vandalised during an occupation in July. Pickets were determined it should stay strike bound. A union delegation went in to persuade Ian Bain to go home. The Lodge Secretary did the persuading.

: Well he has got financial problems obviously. He is a man with a young family and he had been requiring some advice, which we have given him and he's seen the sense of the advice we have given him and he has accepted that he will not attempt to work again until the strike is over.

LLOYD: A father of three children, Ian Bain said he went back to work to feed his family.

IAN BAIN: We have hardly got any food and I thought it was getting beyond a joke the children having to be living off scraps.

LLOYD: Do you feel in any way intimidated?

BAIN: Not really. I do, I feel a bit bitter about the way that the men congregate, when somebody wants to work. I didn't have a chance whether I wanted to come out on strike or not, and it has hit me very hard.

LLOYD: And what does it mean now for you?

BAIN: Back to normal, scrimping and scraping to make ends meet and try and feed the wife and children. Since the strike started, I've lost a stone and a half in weight.

LLOYD: Ian Bain says many miners feel the way he does but they are afraid to go back to work. He won't try again because too many people could get hurt.

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CC 100

PRIME MINISTER

PAYMENT OF STRIKERS' HOUSING COSTS

Concern was expressed at Cabinet on 18 October that supplementary benefit payments to striking miners, which were intended to meet payment of mortgage interest, were in fact being diverted to other uses. The Secretary of State for Social Services was asked to consider methods of preventing this and to bring proposals urgently to the Home and Social Affairs Committee. The Committee discussed his memorandum (H(84)41) today and colleagues will wish to know our conclusions.

2. On the main issue, the Secretary of State proposed to end the abuse by amending the supplementary benefit regulations so that the payment of mortgage interest should be in the form of a separate giro payable only to the building society. The Committee agreed to this proposal. The Secretary of State agreed to consider further whether these new arrangements should apply only to strikers or, as several members of the Committee thought would be preferable, to all recipients of supplementary benefit receiving mortgage assistance.

3. Your Private Secretary's letter of 29 October suggested that additionally payments to building societies should be in the form of a loan, recoverable by the Government six months after the end of the strike. There was considerable support in the Committee for this course of action. There would, however, need to be comparable treatment of rents and this and the problems surrounding enforcement need to be studied. Primary legislation would be needed. The Secretary of State undertook to examine these issues and to bring forward further proposals. In the meantime the agreed action on direct payment to building societies should not be held up.

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4. The Secretary of State also raised an issue on the payment of housing benefit to single strikers who live with their parents or other relatives and claim to pay for their board and lodging. The NUM have discovered a loophole in the housing benefit regulations which would require housing benefit to be paid in respect of the rent element of such board and lodging charges. This was never intended. If widely used (by others eligible for housing benefit as well as strikers) there would be a significant cost. The Committee, while recognising the virtual impossibility of constructing completely watertight regulations on this, agreed that this loophole should be blocked.

5. I am sending copies of this minute to Cabinet colleagues, the Paymaster General, the Chief Whip, and Sir Robert Armstrong.



30 October 1984

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NAT IND PT 14

COAL

COAL

Daily Coal Report - Tuesday 30 October 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	25	-
(iv) On strike/picketed out	94	-

Arkwright pit (North Derby) has now moved from category (iv) to (iii).

Generally, attendances have shown further modest though encouraging increases.

114 ex-strikers returned to work yesterday and a further 36 today. Notable features are as follows:-

Scotland: (morning shift): 360: New Record 10 up on previous best.

Yorkshire: (morning shift): 93: New Record 1 up on previous best set set yesterday. Today is the 6th consecutive daily increase.

N. Derbyshire): (24 hr figure): 1,115: New Record 56 up on previous best for 24 October.

Western: (morning shift): 5,373: New Record
(24 hr figure): 8,591: compares with best of 8909 on 19 October.

SECRET AND PERSONAL

Coal Movements

890,000 tonnes (rather than 877,000 tonnes as reported yesterday) were moved last week, of which 634,000 went to the CEEB.

Law and Order

There was renewed violence in Yorkshire. Missiles were thrown by pickets outside Kinsley drift mine and Woolley pit. 5 policemen were injured. Management cars at Hickleton main pit were damaged during the night.

The cost of policing the miners' dispute in England and Wales up to October 24 was £80 million. 1022 policemen have been injured.

NCB/NUM Negotiations

These resume at ACAS tomorrow morning.

Scargill shows no sign of wishing to compromise in any way so the chances of a settlement seem remote. Today he specifically ruled out any question of a deal on the basis of the NACODS formula.

However Scargill has come under pressure from various quarters today. The TUC Chairman Jack Eccles said that in the event of a breakdown tomorrow there might have to be a clear and positive input by the TUC to help reach a negotiated settlement. He said the TUC would have to examine whether the failure was due in part to the "rigidity" of the NUM.

Scargill tonight claimed he had a secret document which showed that the Coal Board had a substantial hit list of pits it wanted to close between now and 1985.

Line to Take

It is time that this dispute ended and the coal industry was allowed to recover from the blows Mr Scargill has inflicted upon

SECRET AND PERSONAL

SECRET AND PERSONAL

it. Every miner in the country can now go back to work with a good wage offer, a guarantee that any miner wishing to remain in the industry is able to do so, a good investment programme for the future, and an enterprise programme which will enable new industries and new businesses to come into the mining communities. Miners can vote for this deal with their feet.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL



From the Minister of State for Industry

NBPM AF 20/10
DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5186
GTN 215)
(Switchboard) 215 7877

Norman Lamont MP

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
LONDON SW1P 3AG

30 October 1984

L. M. Lamont
MINERS' DISPUTE: POLICING COSTS

I have seen a copy of Leon Brittan's letter to you of 18 October 1984 and believe that we should go along with his 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.

Norman Lamont
NORMAN LAMONT

MONAKG

Not. und. Cool Pt 13.



30 OCT 1984

17a

PRIME MINISTER

MEETING WITH WORKING MINERS

Chris Butcher, alias Silver Birch, rang No. 10 today. He and Mr. Trevor Morris from Staffordshire addressed the Conservative Backbench Committee on employment chaired by Ralph Howell and received a sympathetic hearing. By contrast they had received no response to their approach to Mr. Kinnock.

Mr. Butcher now wishes to bring a group of working miners to see you. I have consulted Mr. Walker about this and he avises strongly against. To see Mr. Butcher is likely to increase the tensions which exist between the Silver Birch Group and the Working Miners Committee. In my conversation with Mr. Butcher I detected a great deal of jealousy between the two. Mr. Walker regards the latter as more formidable - in his view the Silver Birch Group is something of a publicity exercise financed by the Daily Mail.

Agree I speak to Mr. Butcher and explain that you have not felt it right to meet any of the working miners groups personally, while assuring him of your full support?

for *sc*
Andrew Turnbull
29 october 1984

It will be difficult
to refuse. Could I
not see representatives
of both? - Separately
- - - not

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CCND

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

01 211 6402

The Rt Hon Peter Rees QC MP
Chief Secretary
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

29 October 1984

NCB DEFICIT GRANT

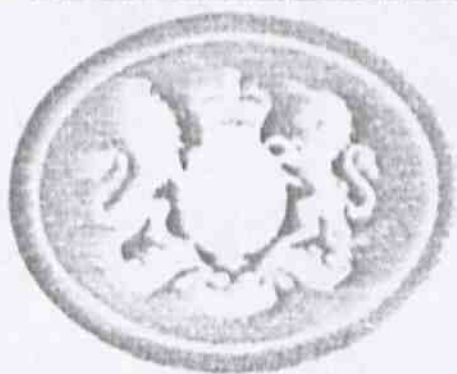
There are two matters concerning the payment of deficit grant to the NCB upon which action will be needed early in the new Parliamentary session.

First, I believe we must bring in an Order under the Coal Industry Act 1980 (as amended) to increase the ceiling on the aggregate amount of deficit grant which we may pay the Board from the present £1,200m to £2,000m, the maximum level possible under the Act. Payments of deficit grant have already reached some £1,000m, and without an Order we would shortly have to stop normal payments of deficit grant to the Board. The need for an Order was noted in the summer Supplementary Estimates, and is necessary before we can pay in full all the deficit grant for which we already have Estimates authority.

Second, we need to make provision in a winter Supplementary Estimate for further payments of deficit grant to the Board. The present Estimates provision is based on the Board's pre-strike estimate of their loss for the year. The Board's outturn loss is bound to be very substantially larger, though the precise figure will depend on when the strike ends. If the strike were to end at the end of this month, the NCB estimate a loss of £1385m. We have no choice but to meet the deficit through grant if the Board is to retain a solvent balance sheet. We cannot however provide for the full extent of the Board's likely loss in the current year in a winter Supplementary. Quite apart from uncertainty over when the strike will end, we can make provision for only about a further £607m within the ceiling provided by the 1983 Act, even after raising the ceiling by Order. We need also to ensure that payments of grants to the NCB in this financial year do not exceed their total EFR. I believe therefore that we should seek provision for a further £607m of deficit grant now, and consider the possible need for yet further provision later on, when we have obtained further legislative authority for deficit grant payments, perhaps in a Coal Industry Bill in the spring. I think this approach is fully defensible in terms of Parliamentary propriety.

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To the extent that increased deficit grant payments substitute for borrowing by the Board, there is no change in public expenditure. As a separate matter, there is, because of the strike, no realistic hope that the NCB can live within its existing EFL. Our officials have already been in touch on this, in the context of the overall cost of the strike.

In terms of Parliamentary handling, we should aim to lay the Deficit Grant Order at about the same time as the winter Supplementary Estimates are sent to the Select Committees. I would intend to draw attention to both the Order and the Supplementary Estimate in a PQ answer, thereby laying the ground for the two to be debated together if necessary. In public and Parliamentary presentation, we can point out that the need for the Order was already foreseen in the Estimates submitted to Parliament before the strike. As regards the Supplementary Estimate, we can say that it is no secret that the strike is having a very damaging effect on the finances of the coal industry, to the long term detriment of those who work in it. As the government has explained in the past, given the state of the NCB's balance sheet, borrowing by the Board is not an acceptable substitute for deficit grant, and the government is therefore seeking additional provision for deficit grant. But we can deflect detailed questioning about the cost of the strike by pointing out that the size of the Supplementary Estimate has been determined by the limits of existing legislative authority, and not by any precise estimate of how much the strike has cost.

I would be grateful to know that you agree with these proposals.

I am copying this letter to the Prime Minister and John Biffen.

PETER WALKER

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Briefing Paper

Economic Background to the Coal Dispute

BILL ROBINSON⁽¹⁾

Summary

This Briefing Paper attempts to explain the economic forces behind the decline of the coal industry. The main findings (presented in the order in which the argument is developed) are:

- 1 Coal output has been declining throughout this century. This decline accelerated in the 1950s and 1960s when coal was faced with competition from oil.*
- 2 The decline was arrested by the the oil price increases of the 1970s which have allowed coal to establish and maintain a price advantage over alternative fuels. Despite this, coal has not increased its market share over the past decade.*
- 3 Because of energy conservation, in response to the price increases of the 1970s, total energy demand has fallen over the past ten years.*
- 4 With coal holding a stable share of a static market, the output projections for the industry drawn up in the 1970s including those in the 1974 "Plan for Coal" are now totally outdated.*
- 5 Even if total energy demand were to expand, there would not necessarily be increased demand for British coal, which is more expensive to produce at the margin than alternative sources of supply (from the US, South Africa and Australia).*
- 6 Home-produced coal enjoys some natural protection from overseas competition because of high transport costs. In addition there is a tax on fuel oil and informal restrictions on imports. These partially insulate the domestic price of coal from changes in the world price.*
- 7 The cost of producing coal has risen substantially in real terms since 1973-4, despite a major investment programme. Productivity has risen slightly faster than the national average, but wages and non-wage costs have risen very much faster.*
- 8 The upward pressure on costs has come partly from the mineworkers' climb from twelfth to first or second place in the wages' league; and partly from the failure to close non-economic pits fast enough.*
- 9 This pressure on costs meant that by 1981-2 less than*

⁽¹⁾ In preparing this *Briefing Paper* I have drawn indiscriminately and without specific acknowledgement on a wide variety of sources. These are listed in the bibliography. I am especially indebted to my colleague Louis Turner who guided my reading and made many valuable comments. Responsibility for errors is mine alone.

half of the industry's total output was produced at profitable pits, which employed only 65,000 mine-workers.

- 10 There is a large tranche of marginally uneconomic pits which may be unprofitable one year but profitable another, and there is a strong case for keeping such pits open.*
- 11 The number of pits which are profitable at the margin is very sensitive to movements in costs. If mineworkers' wages had risen only in line with the national average for manufacturing over the period 1973-4 to 1981-2, the number of jobs in profitable pits would have been 95,000 rather than 65,000.*
- 12 The subsidy per man in the most inefficient pit in 1981-2 was of the order of £14000. The subsidy per man in the marginal pit at break-even point for the industry as a whole was nearly £5000.*
- 13 Under a cash limit system every pound spent on subsidising miners is a pound less available to spend elsewhere. Subsidising coal miners is a costly way of preserving jobs compared with alternatives.*

The Price of Coal and the Size of the Coal Market

Since 1973 the dollar price of oil has risen tenfold – a fivefold increase in real terms. Costs have risen very much less rapidly, and the oil industry is extremely profitable, with producers earning large rents. Coal is a close substitute for oil (notably in the electricity-generating industry), so a rise in oil prices increases the demand for coal. In theory therefore the oil shock should have raised coal prices and profits, and led subsequently to an expansion of the industry as new higher cost sources of supply were brought on stream. What we observe in the UK is in stark contrast to this theoretical prediction: a declining industry which continues to make substantial losses. How has this state of affairs come about?

The short answer, which again we know from elementary theory, is that either the price of coal has not increased as rapidly as the oil price and/or the cost of producing coal has increased more rapidly. In fact both of these things have happened.

Chart 1 shows the behaviour of oil and coal prices since 1967. Before the oil price shocks of the early 1970s the two prices moved fairly closely in line. Since then there has been a tendency for coal prices to move up with oil prices, but over the past ten years coal has been some 30-40 per cent cheaper than oil.

The fact that such large variations in relative prices have been possible illustrates a very important point about the energy industry. The response to any change in relative prices is slow. This is because consumption of energy generally requires capital equipment which cannot be changed straight away. If the price of coffee rises, consumers can drink more tea the very next day. But if oil goes up in price, those with oil-fired central heating (or power stations) cannot in general switch to gas or coal overnight. We should not infer from this

CHART 1

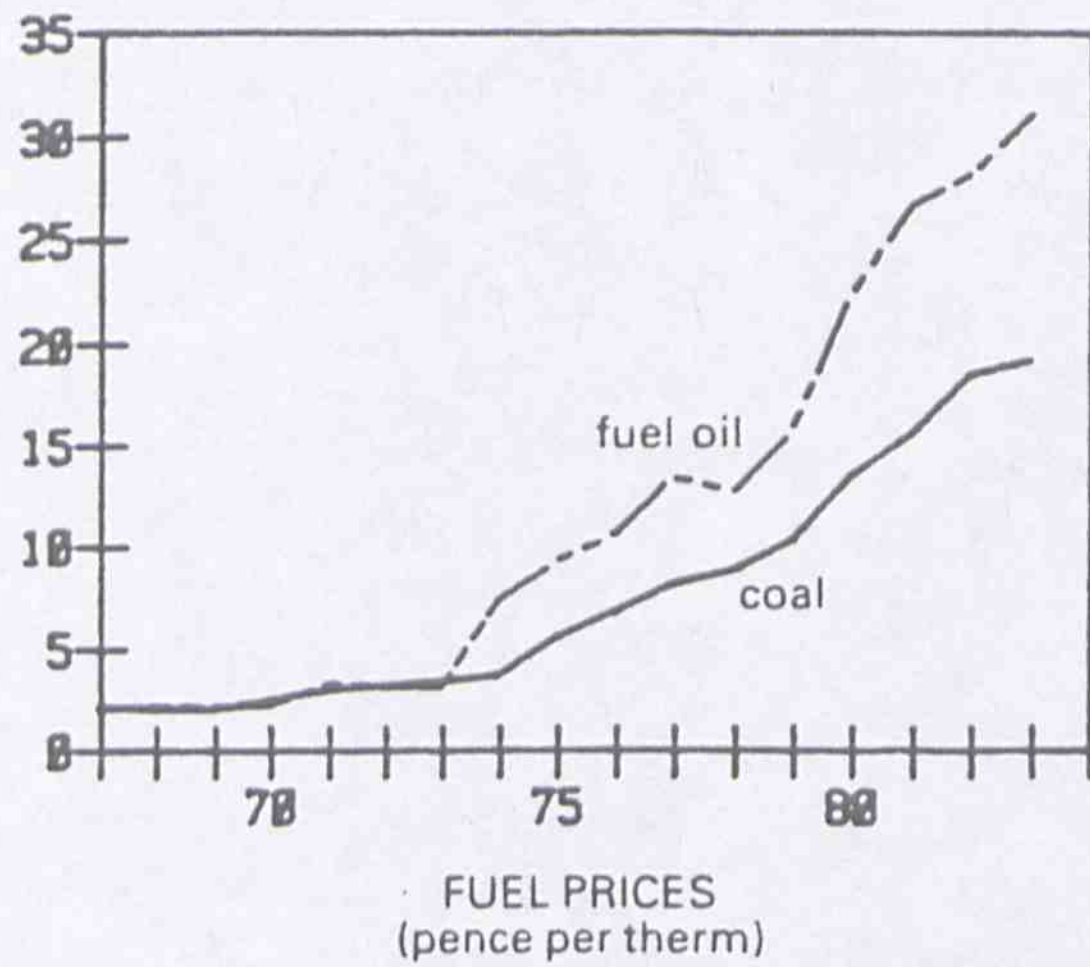


CHART 2

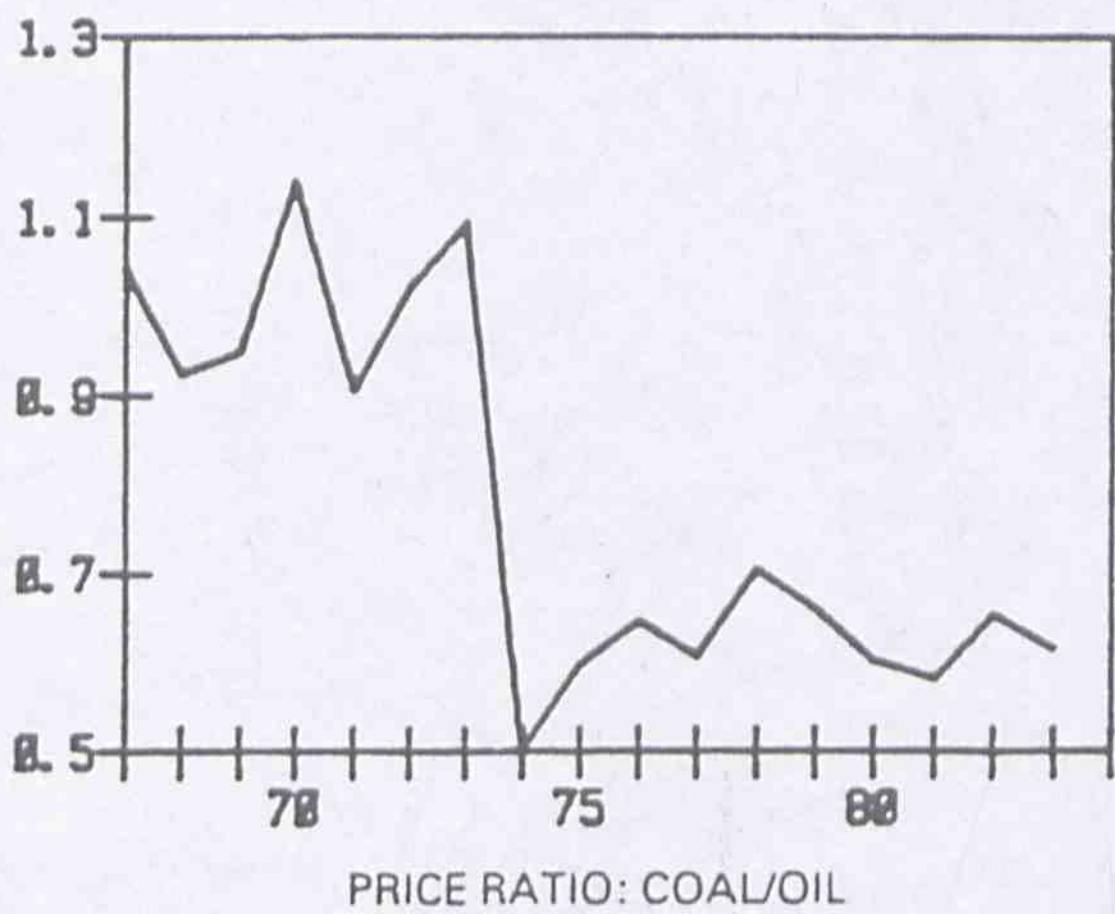
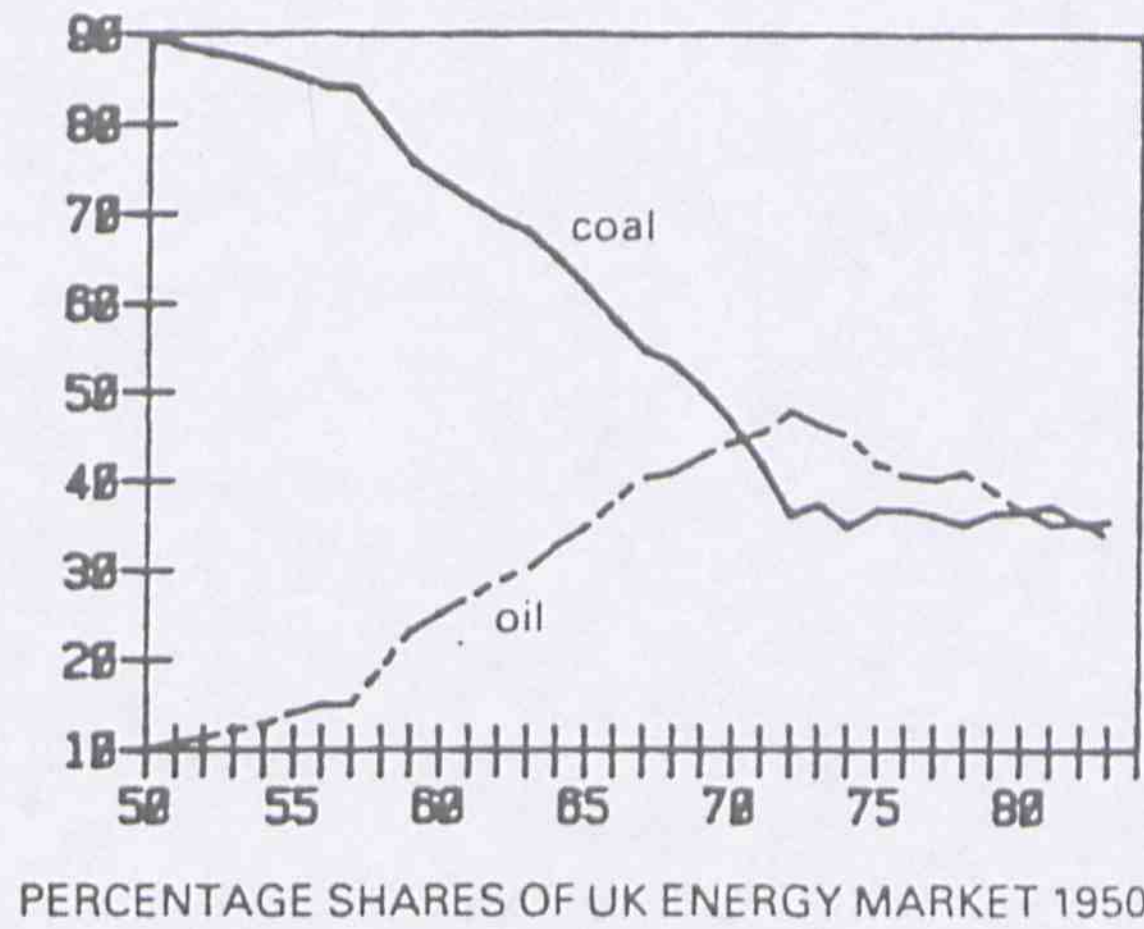
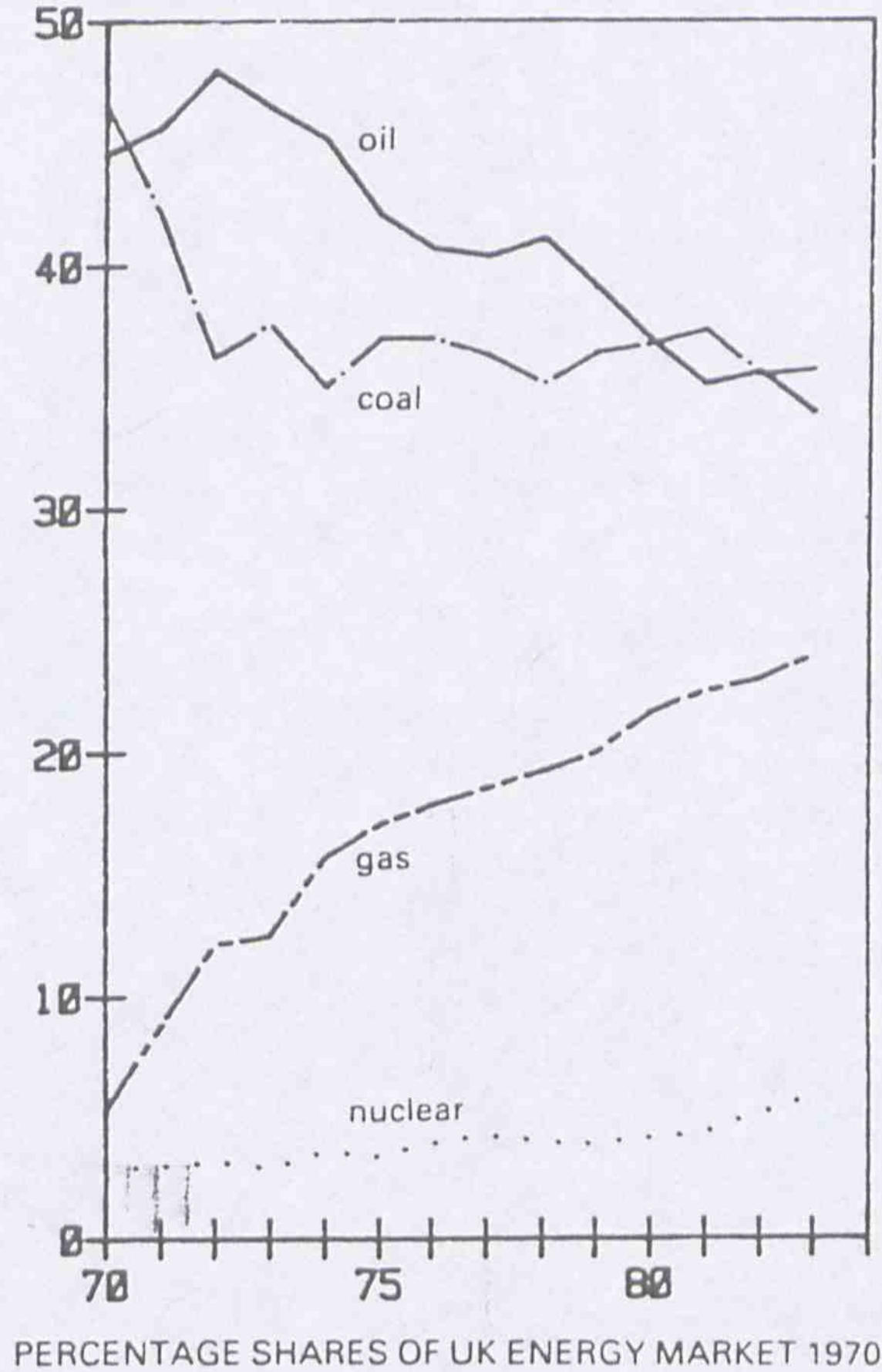


CHART 3



however that the long-run price elasticity of demand for different forms of energy is low. If the relative price difference is expected to persist, users will gradually switch in large numbers.

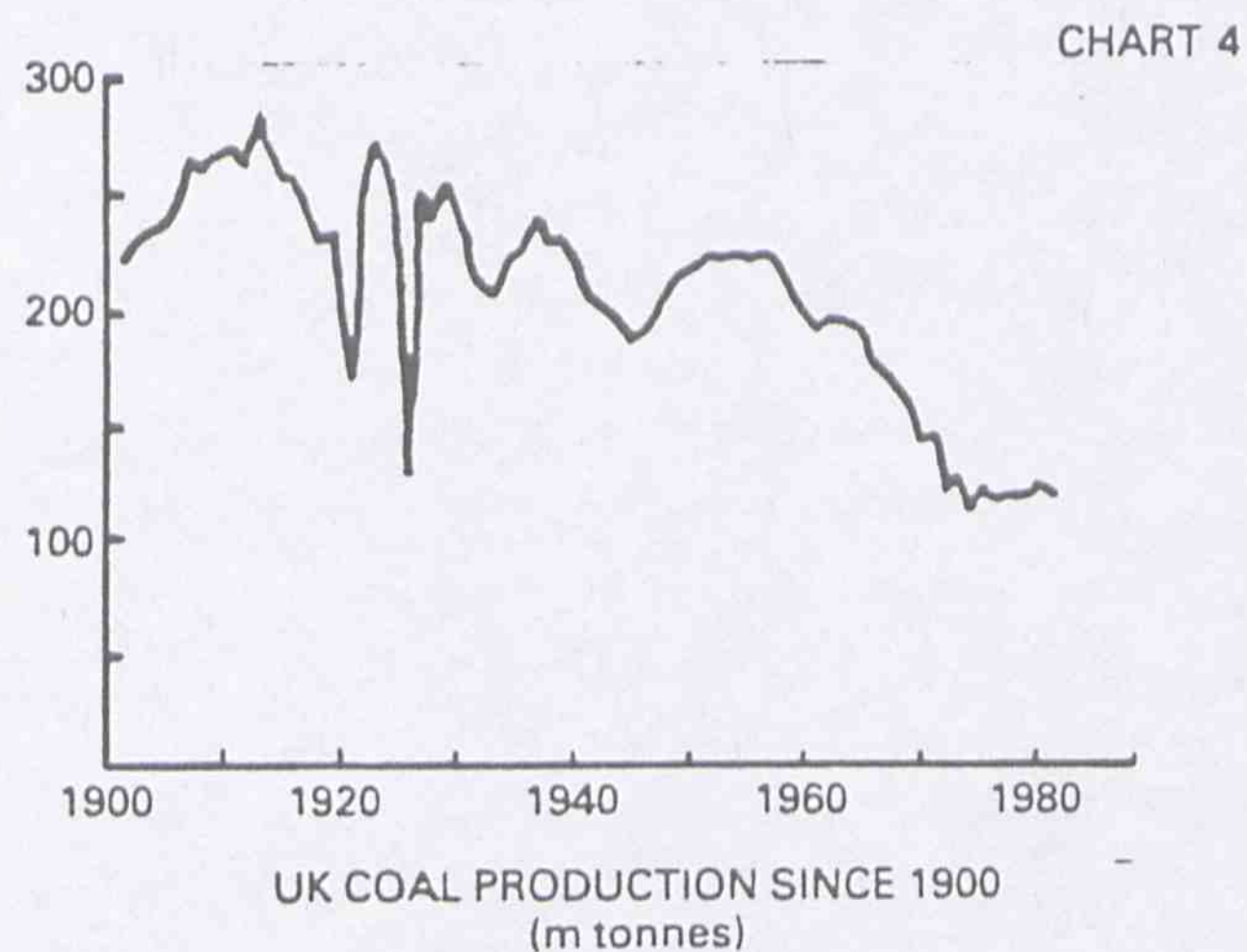
The long-term substitutability of different fuels is illustrated by the post-war history of the energy industry. At the end of the war coal accounted for over 90 per cent of total energy use in the UK. By 1972 that share had declined to only 36 per cent. As long as the price of coal and oil were closely matched, coal lost market share at a rapid and accelerating rate (Chart 2). This is hardly surprising. Compared with oil, coal is bulky, difficult to transport and poses severe waste disposal problems. At the same price per calorie any user would prefer oil. Over time many did in fact switch. And coal's problems were compounded from the late 1960s onwards by competition from North Sea gas, which offered many of the advantages of oil plus greater security of supply.

The steady conversion to oil came to an end with the first oil crisis. The sharp rise in oil prices permitted the coal industry to find a price at which users are broadly indifferent between coal and oil. With a price advantage of around 30-40 per cent, the coal industry has arrested the catastrophic fall in its market share. However it has not increased its share since 1974. The

markets lost by oil have been replaced by gas (mainly) and nuclear energy (Chart 3). Clearly the oil price rise has not permitted a previously healthy coal industry to make super-normal profits. It has rescued a chronically uncompetitive industry from a state of terminal decline.

Chart 4 places this decline in historical perspective. There is nothing new about pit closures. Coal output has been falling intermittently for most of the century and particularly steeply and continuously since the mid-1950s. The period of stable output in the 1970s stands out in sharp contrast against this historical

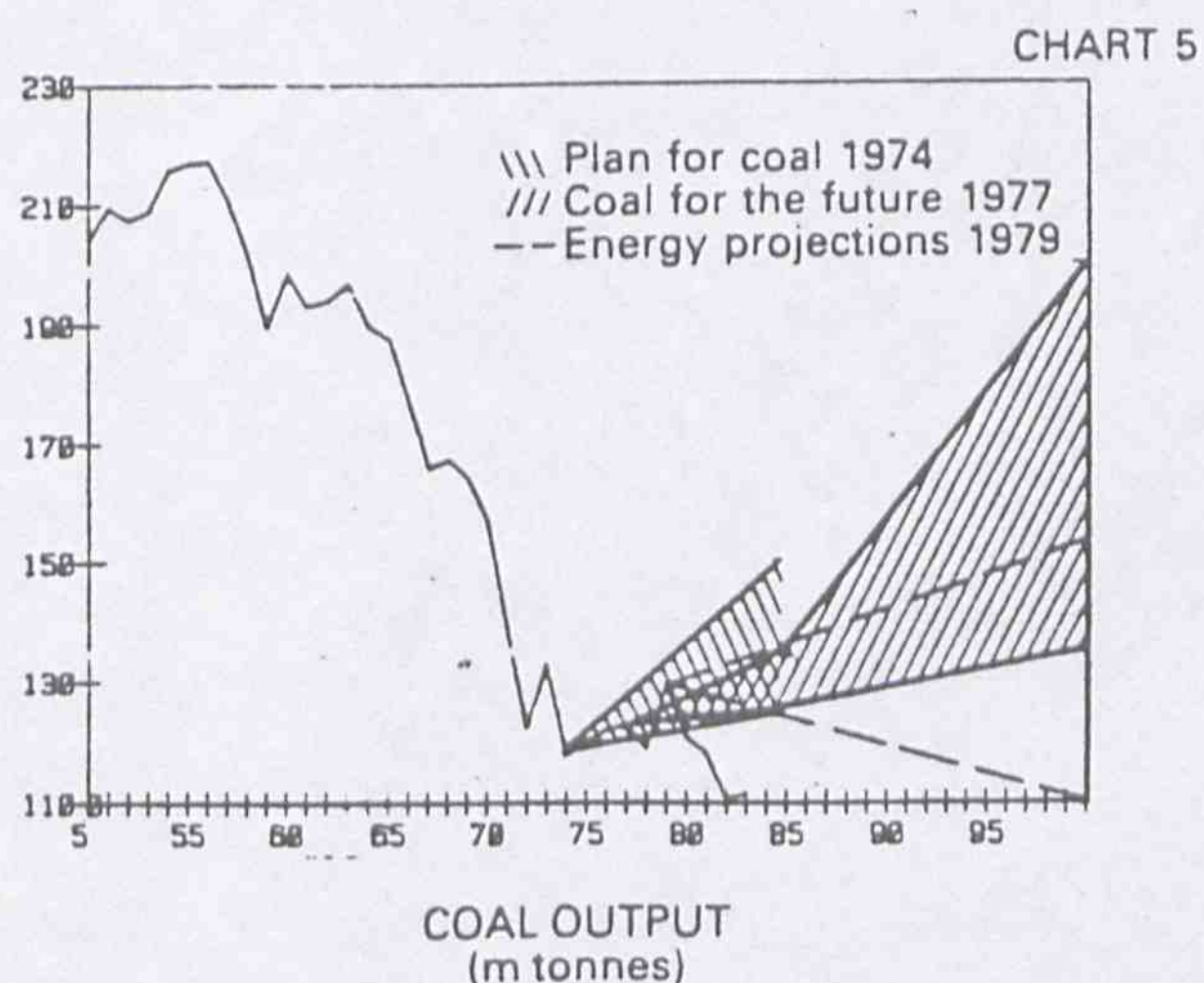
background. But, as Chart 5 shows, there is an even sharper contrast between the post-war decline in coal demand and the projections of future demand on which official policy has been based since the mid-1970s. What was the basis for such optimism?



Source: Digest of UK Energy Statistics, Ministry of Power Statistical Digests.

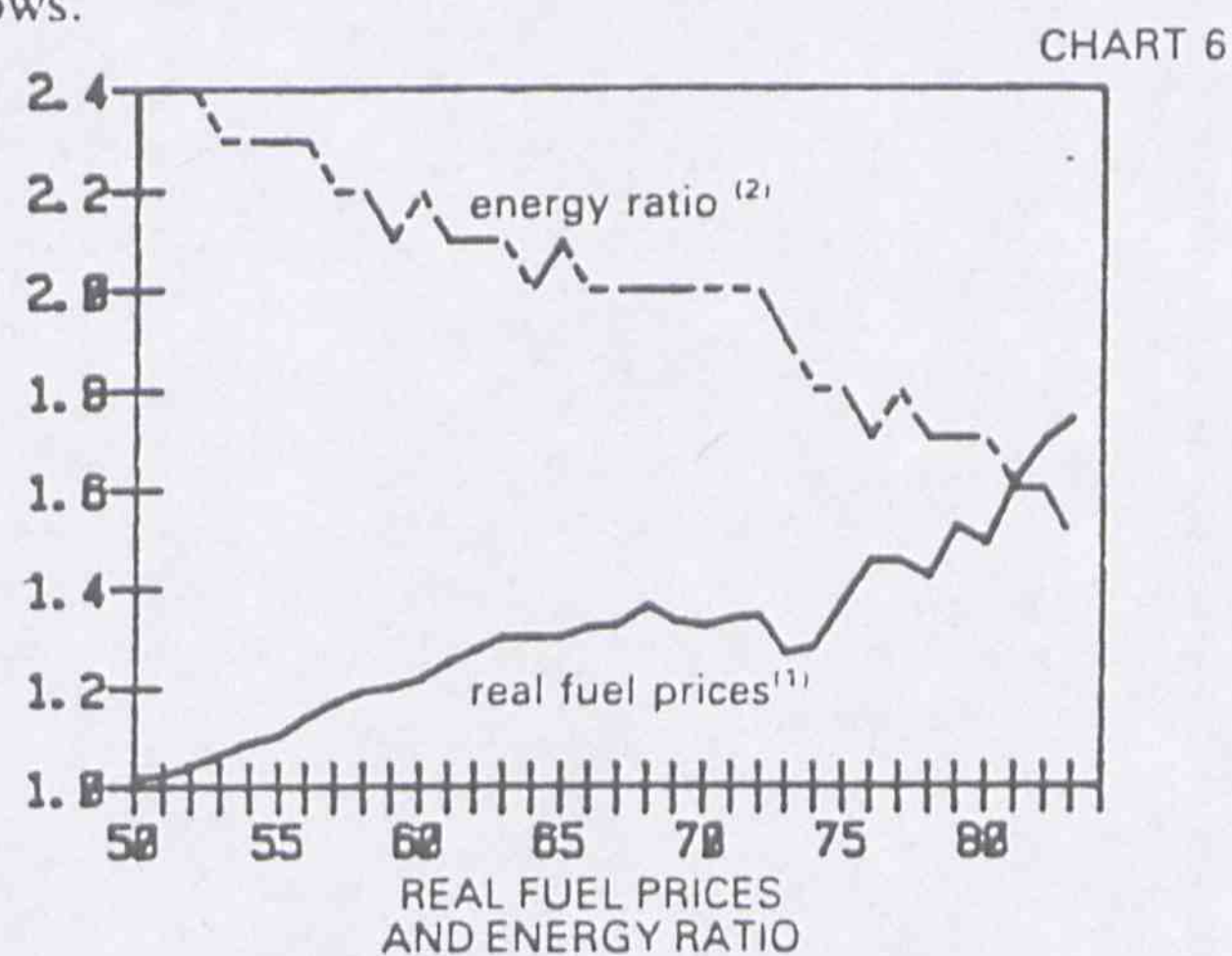
Demand for coal depends on total demand for energy, and the share of that market taken by coal – which depends in turn on its relative price. Because of the long lead times which are a feature of the industry – it takes many years to prospect for oil, dig a new coal mine or construct a power station – energy experts spend much time endeavouring to forecast energy demand 10-15 years ahead. As we have seen in public enquiries (Vale of Belvoir, Sizewell) the case for a new coal mine or a new nuclear power station stands or falls on the size of the energy market in the 1990s, and on the prices and demand elasticities for different fuels.

Over the period since 1974 evidence has accumulated to suggest that the *long-run* price elasticity of demand for energy is much higher than the short-run elasticity. We have already noted that the substitution of one kind of energy for another is a long process, requiring capital expenditure, so that the response to price changes is slow. Precisely the same arguments apply to energy as a

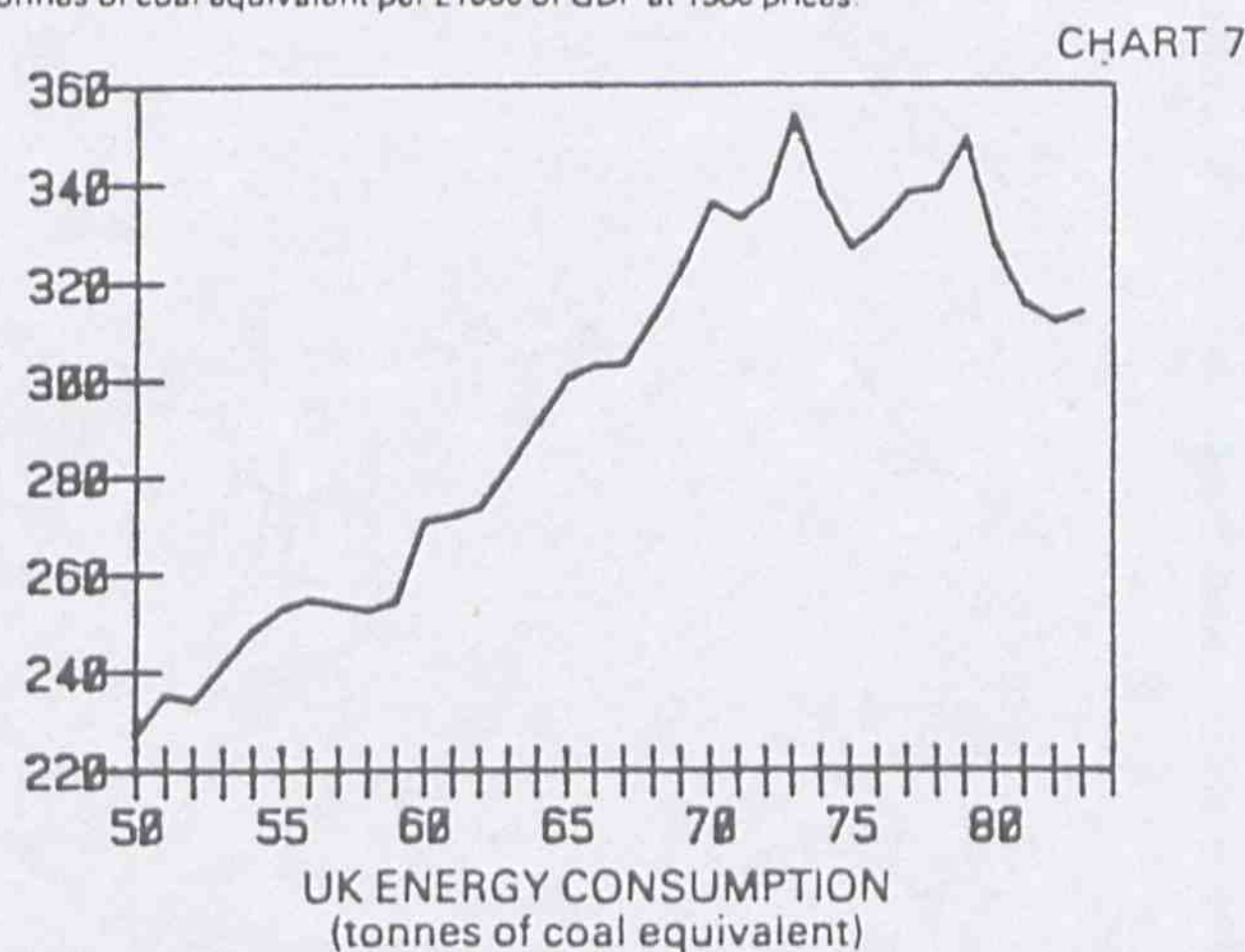


whole. We can make do with less energy and still enjoy a high standard of living, but the adjustment process takes time. We can insulate our houses, design more fuel-efficient cars, move closer to our places of work, give up 'industrial' products in favour of services. None of this happens overnight, but if the price signals are strong and persistent (as they have been), these changes inexorably occur. The demand for energy is extremely price inelastic in the short run, but the experience of the last ten years has shown that the longer-run price elasticity is nevertheless quite high. Capital equipment reaching the end of its productive life, is being replaced today with more energy-efficient equipment in response to price changes that occurred ten years ago: and many of the effects of the second oil price shock have still to be felt.

The point is illustrated by Chart 6 which shows the behaviour of the energy ratio in the UK since 1950. The energy ratio relates total consumption of energy to gross domestic product and this ratio has been falling steadily over the post war period. Up to 1973 this simply meant that energy demand, though rising, grew less rapidly than GDP. Since then output growth has been slower and the decline in the energy ratio more rapid. Consequently we have seen an absolute fall in total energy consumption in this country – as Chart 7 shows.



(1) Retail price of fuels divided by total retail prices.
(2) Tonnes of coal equivalent per £1000 of GDP at 1980 prices.



This brief excursion through the recent history of the energy industry – and the position of coal within it – enables us to answer the question raised at the outset, namely why is coal not a profitable and expanding industry. Part of the answer is that although there has been a considerable improvement in coal's competitiveness vis-a-vis oil since the first oil crisis, the starting point in the early 1970s was so uncompetitive that the improvement was insufficient to carry coal into an era of expansion. The other half of the answer lies in the demand for energy as a whole, which has proved much lower than was anticipated. Since 1973 we have witnessed the exercise of consumer sovereignty. There is a normal downward-sloping demand curve for energy. A monopoly supplier can fix the price at any chosen level, but he does not thereby repeal the laws of supply and demand. The consumer will determine the quantity sold at any given price. When the price of energy went up, demand fell.

The adjustment to higher energy prices is slow and probably far from complete. The resumption of growth in the economy since the 1980-81 recession has barely stabilised the demand for energy, which fell sharply during the recession. There is little reason to expect a substantial increase in energy demand in future, as the effects of resumed growth will be largely offset by the continuing drive towards economy in energy use that has been brought about by the steep rise in real energy prices of the past decade. If total energy demand is stable, there is little prospect that the coal industry, which at present relative prices cannot increase its market share, will see a growing demand for its products. There can be no doubt that the plans to expand the coal industry in the aftermath of the energy price shocks of the 1970s – including the Plan for Coal – are now totally outdated.

The Costs of Producing Coal

Although the coal industry was not able to match the rise in the oil price in the 1970s, coal prices nevertheless rose sharply. Between 1972-3 and 1981-2 the price of deep-mined coal rose from just under £7 per tonne to over £35 per tonne. Allowing for the rapid inflation over that period, this represented an increase in real terms of 54 per cent. However, even with this increase in prices the Coal Board continued to make a loss on its deep mining operations. The reason is that costs also rose substantially in real terms. And although costs increased less rapidly than prices, the improvement was insufficient to eliminate the large losses that were being made in the early 1970s.

Table 1, which is calculated from data given in the Monopolies and Mergers Commission (henceforth MMC) report on the National Coal Board published in June 1983, illustrates the problem. Since 1970 miners' wages have moved from below the average manufacturing wage to substantially above it (Chart 8), taking them from twelfth position in the earnings league to

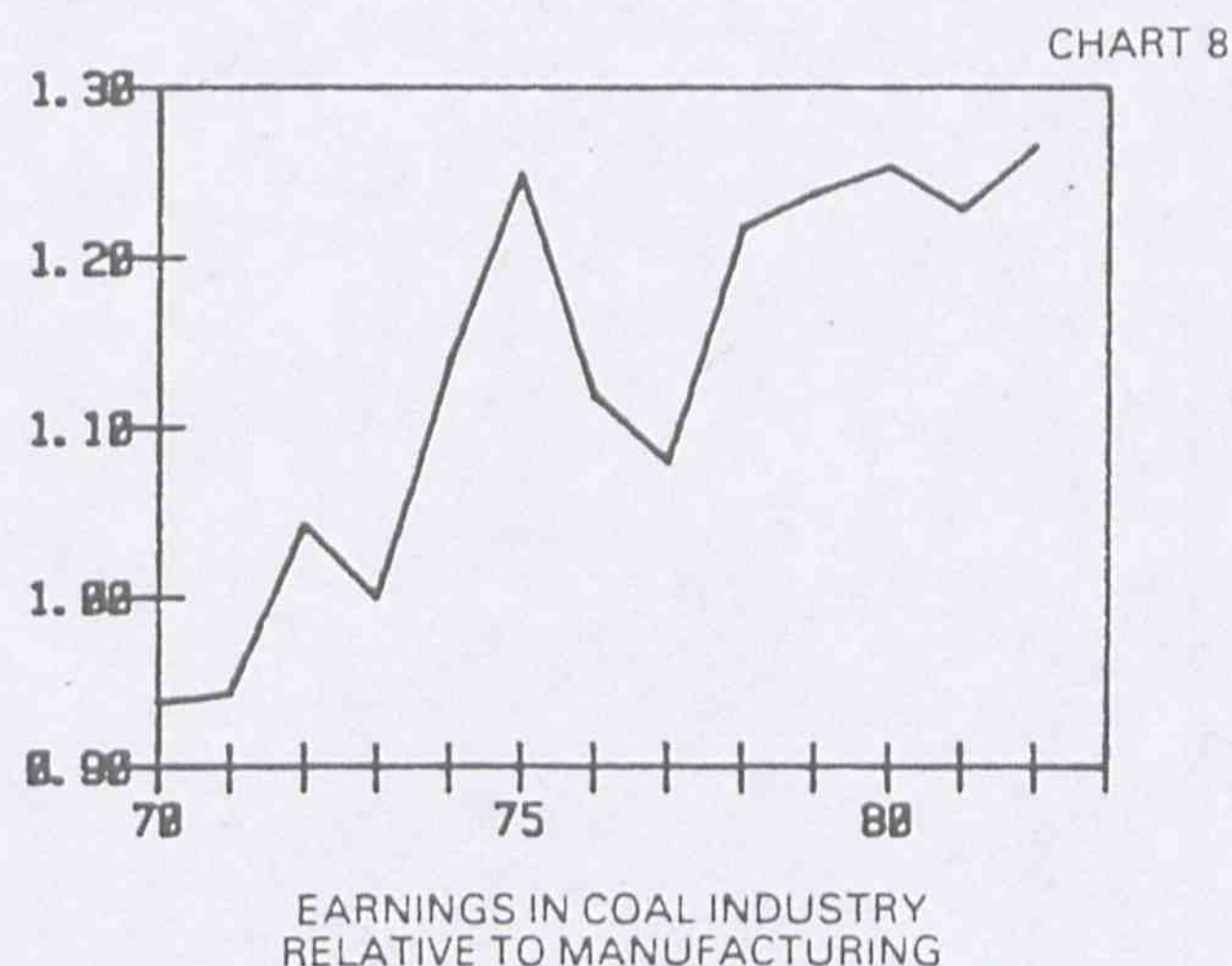
Table 1
NCB deep mines, unit operating costs and revenues
(£/tonne at 1980 prices)

	1972-3	1981-2	% change
Revenue	20.3	31.2	54
Costs:			
labour	11.8	17.6	49
depreciation	1.3	1.9	44
other*	9.1	15.1	65
total	22.3	34.6	55

*overheads, materials, repairs, power, heat and light. Excludes interest charges.

Source: Monopolies and Mergers Commission Report Appendix 3.3 (vol 2 p 25).

first or second place. Although mining productivity also grew faster than in manufacturing between 1972-3 and 1980-81, real unit costs in mining increased by 49 per cent compared with only 2 per cent in manufacturing. Had mining wages grown in line with manufacturing wages over that period the industry would have been in surplus by 1981-2.



However, Table 1 shows that wages were not the only problem – not even the major problem. Other costs rose even faster. This highlights a particular problem of the coal industry which is that costs have a built-in tendency to rise. The older the mine the further is the seam of coal from the pithead and the greater are the geological difficulties and costs of extraction. For any particular mine costs are rising all the time. This means that the industry as a whole can only remain profitable by closing down high-cost capacity and opening new lower-cost mines.

One problem in the 1970s was that there had been inadequate investment in the 1960s, so an insufficient number of new coal faces were brought into operation. But it also seems probable that an insufficient number

of old pits were closed down. Pit closures present many problems. One little recognised technical difficulty is that the costs of extracting coal in a particular pit can vary sharply over time – an annual variance of 15 per cent is the norm for the industry. Under these circumstances it would clearly be wrong to close a pit just because it makes a loss in one particular year. Against a background of overoptimistic demand forecasts the temptation to give a loss-making pit another chance must have been strong – especially as closure always imposes severe disruption for the workers and families involved. But whatever the reason, it is clear (with hindsight) that the failure to close uneconomic pits sufficiently quickly has been an important factor in the industry's chronic problems.

To keep the industry competitive it is necessary not just to close old pits but also to invest in existing and new pits. If management blames the unions for resisting closures, the miners in their turn blame management for inadequate or ill-chosen investment. It is extremely difficult to judge from aggregate figures whether investment in coal has been adequate, but Table 2 shows that investment per man has been greater in the mining industry than in manufacturing industry as a whole, and has risen more rapidly. This investment has not always produced the returns expected of it, partly because output (and hence productivity) in the new and more efficient mines has been held back because of general oversupply. Pit closures would thus lead to productivity gains in the newer pits and better returns on past investment.

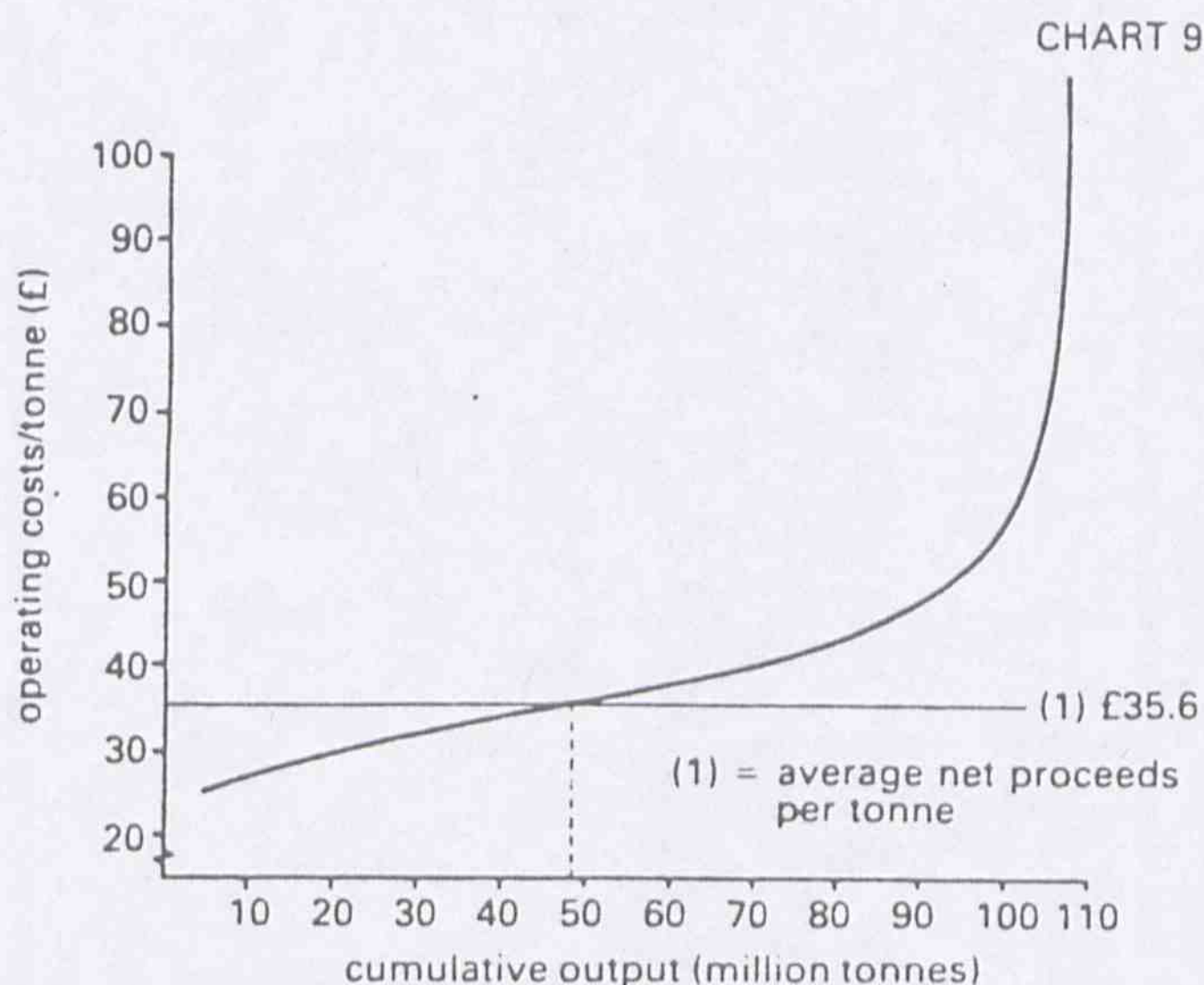
Table 2
Investment per employee
(£ man at 1980 prices)

	Coal Industry	Manufacturing Industry
1974/5	1158	597
1975/6	1744	618
1976/7	1901	666
1977/8	2087	747
1978/9	2608	811
1979/80	3203	856
1980/1	3387	857
1981/2	3311	932

Source : MMC Report Appendix 3.14 p 64 and National Income Blue Book.

The problems that are created when uneconomic pits are left in operation too long are revealed starkly in Chart 9, which shows the supply curve for the industry in 1981-2. The curve is constructed from data on individual pits from the MMC report, ranked in order of cost. It shows how the output of the industry can be increased by moving up the supply curve, bringing into production successively higher-cost pits to the point at which the (marginal avoidable) cost of the marginal pit

is just equal to the price of its output. As Chart 9 shows there is a large tail of pits where costs are far in excess of any likely return.



DEEP-MINED PRODUCTION: UNIT OPERATING COSTS AGAINST CUMULATIVE OUTPUT, 1981-82

Source: MMC from NCB information.

The Role of Imports

In Chart 9 there is a horizontal line which represents the price at which coal can be sold. Why a horizontal line rather than a downward sloping demand curve? Because the UK coal industry can be considered as one relatively small supplier of coal to the world coal market. Under the classical assumption of perfect competition the market price cannot be affected by the action of a small producer, who simply takes the price as given and regulates his output accordingly.

This text book model is a reasonable approximation to the facts (though some important qualifications emerge below). But if this is an accurate representation of the position of the British coal industry, it follows that all the expansionist plans of the 1970s, drawn up in the wake of the oil price hikes, contained not one but two fundamental flaws: not only has the demand for energy in general and coal in particular proved more price-sensitive than was assumed; but also the benefit to UK producers is far less than was assumed. The rise in price has not only reduced total demand: it has also increased competing supplies. As the price of coal has risen, the industry has expanded – but it is the low cost producers in the United States, Australia and South Africa who have benefited, not the high-cost marginal British producers.

This description is an oversimplification, because of yet another important special characteristic of the coal industry: transport costs – especially over land – are a substantial proportion of the total cost of a tonne of coal delivered to its point of use. This means that it is

impossible to say, in the abstract, whether or not imported coal is cheaper than domestically produced coal. It may be cheaper for a coastal power station to buy imported coal, but not cost effective for an inland power station – especially one located near a coal mine. Since over three quarters of total coal output is used to generate electricity, the competitiveness of imports over the medium term depends crucially on where new power stations are located.

Although high import costs effectively give UK producers a local monopoly of supply in some parts of the country, the potential for coal imports does loosely link UK coal prices to the world price. For Thames-side power stations imports are always a viable alternative to domestic supplies, and though the Coal Board can and does charge different prices to different users in different parts of the country it must, like any other business, avoid offending its (in the short-term) captive customers, who otherwise will make the investment necessary to switch to alternative sources of power.

The Monopolies Commission study shows 'the' price of coal (average proceeds per tonne) in 1981-2 at £35.6, with sterling standing on average at 1.91 to the dollar. It might be imagined that the industry's prospects have subsequently improved dramatically as sterling fell below \$1.20 in October of this year, pushing up the sterling price of imported coal. However there have been a number of developments in the world coal market in the intervening years to offset the effect of currency movements. Additional capacity has come into production in South Africa and America; Polish output, interrupted for a while by the political unrest, is back on stream; and this has coincided with a large reduction in coal demand from France as new nuclear plant has become operational.

These developments illustrate vividly the huge uncertainties surrounding the prospects for coal. Given the industry's marginal cost curve, the level of output and employment depends on two factors: the price at which coal can be sold; and the willingness of the authorities to subsidise marginal high-cost production. At a given level of subsidy, the number of jobs in the industry depends ultimately on the sterling price of internationally-traded coal. In the short term this is affected by currency movements, but in the longer term, it is the cost of overseas production that determines job prospects for the miners. The world coal market is currently in glut and this, like the potential oversupply of oil which has intermittently made headlines this year, could be part of a wider pattern pointing to a long-term fall in energy demand and price.

UK industrialists frequently argue that they are handicapped, in competition with trading partners, by electricity costs that are higher than those prevailing abroad. The high cost of coal, the major primary energy source for electricity generation, is blamed. These claims are only partly justified for it should be borne in mind that electricity costs are held down by the relatively high proportion of coal (which is cheaper than oil) used to generate electricity in this country

compared with abroad. However the UK coal industry is undoubtedly protected by the tax on fuel oil. And there is also evidence of informal official restraints on the Central Electricity Generating Board when they have tried to burn more imported coal. This kind of protection preserves jobs in the coal industry at the expense of jobs lost in manufacturing. And Table 3 suggests that there is only a loose connection between world prices and UK prices, with the consumer yet to feel the benefit of the fall in world coal prices that has occurred since 1982.

Table 3
Average price of coal (£ per tonne)

	Used by the electricity industry	Rotterdam spot price	% difference
1979	25.32	22.15	14.3
1980	31.84	23.33	36.4
1981	37.43	34.66	8.1
1982	40.21	34.57	16.3
1983	42.49	31.58	34.5

The Case for Subsidy

The Coal Board is at present making a loss. To any economist who believes in the role played by markets in allocating resources between competing claims this is an important signal, which suggests that the coal industry ought to contract. The resources absorbed by the marginal loss-making pits can be put to better use making or doing things that people will buy *without* being subsidised.

However the issue is not as simple as this. There are many instances of democratically elected governments subsidising loss-making operations for many years. What are the arguments for doing so? And do they apply in the case of coal?

Agriculture is subsidised around the world. One historical reason has been to ensure security of supply in case of war. Another has been the supposed amenity value of agricultural land. A third has been the problem of variable supply conditions. Maintaining agricultural production capacity such that there is *always enough* food (even under the worst possible conditions) means that on *average* there will be *too much* food produced. The subsidy paid to the marginal producers in good years can be regarded as an insurance against starvation in bad years.

Coal mining resembles agriculture in having variable costs of production from one year to another. Given this variability, it is not sensible to close a pit just because it makes a loss in one year. A loss-making pit this year may be profitable next. There is a strong case for keeping the most efficient tranche of loss-making pits in production in any given year if there is a

reasonable chance that they will make a profit in future. But it is obvious that the coal industry has no amenity value, while subsidising domestic production does nothing to increase security of supply.

Although the variability of costs and revenues is a good argument for keeping open pits at the margin of profitability, it is not these pits which are at the centre of the present debate. The Coal Board wishes to close a number of pits which are making substantial losses. The case for closing these pits in strict accounting terms, is overwhelming. But it is by no means obvious that a wider public interest is served by closure. If public spending is not cash-limited, it is worth closing the pits if the costs incurred do not exceed the benefits. The costs are not limited to the lost income and production of the miners themselves. Miners wages are spent in the local community, generating additional income and employment. When these multiplier effects are taken into account the increase in unemployment resulting from pit closures is likely to be more than the jobs lost in the pits themselves.

Against these wider costs must be set benefits, of which the chief (stressed by market economists) is the alternative output produced by resources freed from the uneconomic pits. However these benefits cannot be taken for granted. Most of the marginal coal mines are located in areas of industrial decline with high average rates of unemployment. Moreover, most mining communities are extremely cohesive and offer a quality of life to the inhabitants which is not easily obtained elsewhere. Miners who become unemployed have little chance of finding alternative employment in their own communities and may choose to remain unemployed in their home town rather than seek work outside.

Given these social realities it must be recognised that the benefits of closing pits, in terms of alternative output, will be slow to appear. Moreover as miners drift away from their communities they will incur additional social costs. The infrastructure in mining communities (housing, schools, roads, hospitals) will be underutilised, with corresponding pockets of congestion in the areas to which the miners move. The cost of adapting the social infrastructure to the new pattern of employment should be set against the benefits obtained from the extra output.

If a given marginal pit is kept open none of these social costs is incurred. Moreover the pit will continue to produce a known quantity of coal with a definite market value. These are two large items to throw into the balance against the prospective benefits from closure – a stream of alternative output which may be very slow to materialise. These conclusions suggest that a pit would have to be *very* uneconomic before a full social cost-benefit analysis would show it to be worth closing.

The Case against Subsidy

No economist, however great his faith in market

processes, can dismiss these arguments lightly. However there are powerful counter arguments. Those who resist closure of uneconomic pits because of the disruption involved must admit that these disruption costs will be incurred eventually, if only through geological exhaustion. Putting off closure reduces the present value of these costs, but this has to be weighed against the (often sharply rising) costs of keeping an increasingly uneconomic pit open.

Secondly the value of the marginal tonne of coal produced by an uneconomic pit is extremely hard to assess. At the limit it may have to be stockpiled or dumped on the export market, and is worth very much less than the market value of an 'average' tonne of coal. At present it certainly replaces an extra tonne of coal that could be produced at much lower cost from one of the efficient pits, which have been running at less than full capacity because of surplus production in the industry as a whole. This argument suggests that the loss of output from closing marginal pits would be much smaller than on conventional cost-benefit calculations.

Thirdly it is extremely difficult to apply cost-benefit analysis to major economic, social and technological changes, where the benefits are typically spread very thinly over whole societies, and endure for many years, while the costs fall heavily on comparatively few people and for a relatively short period of time. A cost-benefit analysis of the introduction of the railways, taking into account the likely disruptions to existing communities and to the coach trade, could well have shown the enterprise to be unviable on social grounds. Or, to take a more contemporary example, many of the redundancies that occurred in the manufacturing recession of 1980-81 could have been avoided by public subsidies justified on cost-benefit grounds. There can be no question that a society which resists change because of its high social costs will in the short run be a more comfortable place to live. But in the long run it risks becoming a backwater.

Fourthly, given the extreme difficulty of agreeing on the appropriate criteria for cost-benefit studies (length of time horizon, appropriate discount rate) and the equally great difficulty of actually evaluating all the costs and benefits (about which no two economists, notoriously, would ever agree) the rough justice of the market place has an undeniable attraction.

Finally, if a case for subsidising mining employment can be made, then it can be generalised to all other threatened industries, in the private or the public sector. Mineworkers would have to take their turn, and given the high cost of keeping a marginal pit open they would not be at the front of the queue.

This last argument acquires particular force if the cost-benefit framework of analysis is abandoned in favour of an overall limit on public spending (which may be justified on other grounds, e.g. the need for lower taxes to improve incentives or for lower public borrowing to control inflation and reduce interest rates.) In these circumstances the (opportunity) cost of subsidising miners is the cash that is not available to

spend elsewhere, for example in subsidising jobs in the private sector or creating jobs in the NHS or in education. Within this framework, subsidising inefficient collieries, viewed as a job creation scheme, is not at all cost-effective: the subsidy per man in the least efficient pit in 1981-2 was £14000. For this amount of money it would have been possible to meet the full salary cost of an extra two jobs at the average wage or to preserve more jobs in less capital intensive industries by subsidising marginal employees.

The Marginal Costs and Savings of Closing Uneconomic Pits

This brief consideration of the case for subsidy shows how the debate about pit closures quickly raises larger issues which are beyond the scope of this Briefing Paper. The dispute has assumed enormous political importance precisely because it raises those issues. But in the end the dispute will be settled: a number of pits will or will not be closed. And the closure of pits will be crucially determined by the *marginal* costs of keeping those pits open or of closing them. Too much of the debate has so far been conducted in terms of broad aggregates – the total cost of subsidising the Coal Board, the average price of coal, and the average cost of producing it. But these averages are not what will, in the end, determine pit closures.

At the margin the government faces a choice between subsidising the Coal Board to keep miners at work in uneconomic pits or subsidising the miners directly through the unemployment benefit. Obviously any consideration of the marginal costs and savings which arise from pit closures must be based on the appropriate measure of cost. Part of the Coal Board's overall loss is attributable to sunk costs, notably interest charges, which have to be paid whether or not a particular pit is closed. Any proper assessment of the savings from closing a particular pit should ignore such costs. Thus if a pit is profitable taking into account only the *avoidable* costs incurred by keeping it in operation (wages and salaries, power, heat and light, necessary maintenance) it should be kept open, even if it appears *unprofitable* when made to bear its share of the unavoidable costs of the industry as a whole.

Fortunately there is in the MMC Report (Appendix 3.3-3.5) data on colliery operating costs which comes close to this definition of avoidable costs. Drawing on

this data it is possible to construct a cost curve for the industry based on marginal avoidable costs. The idea can be explained most easily in terms of a concrete example. In 1981-2 according to the MMC Report the least efficient pit produced 62,000 tonnes of coal and made a loss of £104.8 per tonne. The total loss was thus nearly £6.5 million. The pit employed some 450 people, so the cost of keeping those men in work was nearly £14,000 per job (Table 4). Clearly at these rates of subsidy it is sensible to close the pit since the money saved is far greater than any possible combination of unemployment pay and lost taxes.

Consider on the other hand a marginal colliery, where total losses in 1981-2 were £2.7 m, with an implied subsidy of £3760 per man to keep over 700 miners in employment. If the colliery were closed the government would save some £3760 per man in subsidies. But it would also lose the revenue from taxes and social security on the miners' income, and it would have to pay unemployment benefit and/or supplementary benefits to the miners as long as they stayed out of work.

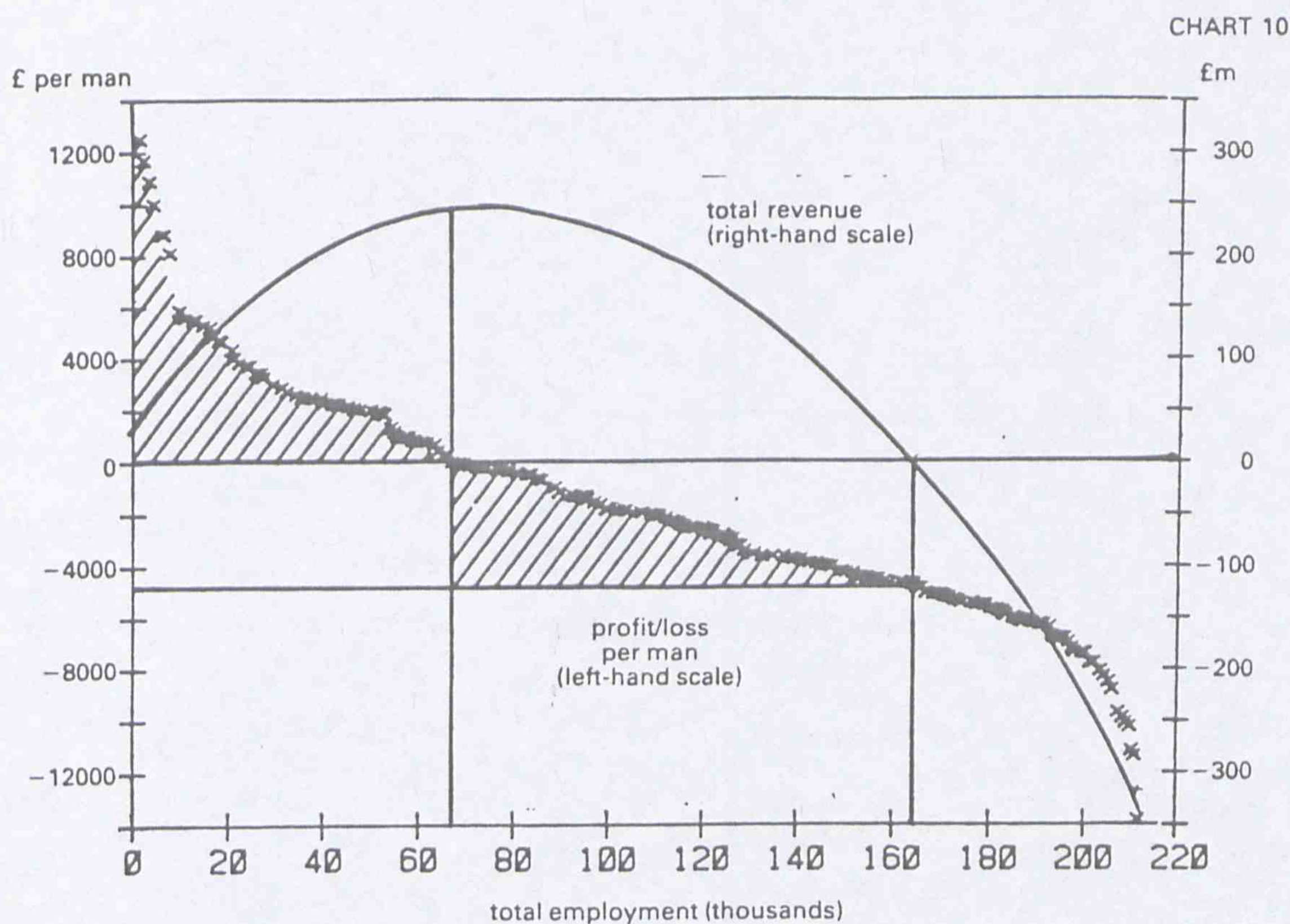
Any government concerned to control *total* public spending would have to think twice about closing such a pit even though the Coal Board might need to do so in order to hit its external financial limits.

What is clear from the example of the two pits shown in Table 4 is that the variations in subsidy from pit to pit is so large that any debate about the future of "the industry" conducted in terms of national averages is liable to be highly misleading. Each pit has to be treated on its merits and any discussion of "the industry" has to centre on its marginal cost curve.

This can be drawn from data on individual pits, as Chart 9 showed, but Chart 9 does not help in the present debate since it shows profits or subsidies in £ per tonne. Since the crucial issue is employment and the required *subsidy per man*, the data used to construct Chart 9 have been transformed to produce a demand curve for labour in the coal industry. This is plotted in Chart 10 which shows, on the vertical axis, the cost per job of subsidising miners in different pits in 1981-2, ranging from the most economic (where the cost was negative – i.e. the pit was profitable) to the least economic, where the cost was as much as £14000 per job. The horizontal axis shows the number of jobs so that we can read off from the chart the employment available at each level of subsidy. The zero line shows what total employment would be if all pits were

Table 4

	Output ('000 tonnes)	Output per shift (tonnes)	Employment	Loss (£/tonne)	Total loss (£m)	Subsidy per job (£)
Least efficient pit	62	0.64	470	104.8	6.5	13,825
Typical loss-making pit	261	1.77	715	10.2	2.7	3,723



MINING EMPLOYMENT AND PROFIT/LOSS PER MAN
IN 1981-2

required to make a profit.

The merit of Chart 10 is that it enables us to quantify the costs of employing workers in the coal industry *at the margin*. It reveals the interesting fact that in 1981-2 the number of miners employed in deep mines collieries that were actually profitable was only 67,000. However the chart also shows that the losses made on the next tranche of collieries were relatively small. Given the variation in costs from year to year it is probably worth keeping many of these collieries open. The chart shows that, by using the surplus from the profitable collieries to subsidise the losses made by the most efficient of the unprofitable ones, the Coal Board could in 1981-2 have employed 165,000 miners, without requiring any outside subsidy. But note that even if the industry had been cut back to this break even point of 165,000 jobs, the subsidy to workers in the marginal colliery was £4745 per man in 1981-2. In other words even if the mining industry as a whole is not receiving any subsidy, the cross-subsidy within the industry is very large – some very efficient pits are subsidising some very inefficient ones. This point is presumably not lost on the miners of Nottinghamshire, where a high proportion of the profitable pits are located.

A particular feature of Chart 10 is that the slope of the job curve is relatively flat on either side of the zero line. This implies that a relatively small change in profitability (and hence in the required subsidy per job) has a large influence on employment. Since profitability is itself the difference between two much larger figures

for costs and revenues, any change in costs has a proportionately much larger effect on profit.

Table 5 illustrates the point with a calculation of the effect on the required subsidy per tonne of holding mining wage increases over the period 1973-4 to 1981-2 in line with the national average. The reduction in wage costs by 1981-2 would have been some 14 per cent and the reduction in total costs around 7 per cent. The effect is to reduce the net subsidy required from £3.89 per tonne to £1.14 per tonne. There is thus a very large percentage change in subsidy per tonne, which also translates into a large reduction in the implied subsidy per worker of the order of £1500 per man. A reduction in costs of this order would have had a dramatic effect on the number of pits which were profitable at the margin, increasing the number of jobs requiring no subsidy by some 28,000. In other words a reduction in real wages of 14 per cent would have increased the level of profitable employment by over 40 per cent.

From an up-to-date version of Chart 10 (which could presumably be constructed by the Coal Board), it would be possible to carry out two kinds of calculations. One, as illustrated above, relates employment to wage restraint and shows that a considerable increase in the number of profitable jobs could be secured by (e.g.) a freeze on real wages over the next few years. The other compares the level of subsidy in existing pits with the PSBR costs of closing those pits. These costs include redundancy and social security payments and lost taxes and, like the subsidies, vary enormously from

Table 5
Effect on coal cost (£/tonne in 1981-2) of wage restraint

	Actual	Lower wages	% difference
Net proceeds	35.59	35.59	
Operating costs			
wages etc	20.10	17.34	-13.7
other	19.38	19.38	-
Total	39.48	36.72	-7.0
Required subsidy	3.89	1.14	-70.7

pit to pit. Social security benefits depend on the family situation of the miners: redundancy payments depend on how long they have been in the industry. There is a time dimension which raises all the usual difficulties about the appropriate horizon and rate of discount. The speed with which redundant mineworkers become re-employed will vary from area to area. These problems make it difficult to produce meaningful figures, even illustrative ones, for the cash costs of closing an 'average' pit. But such calculations could be carried out for individual pits and it is hard to see how any national solution to the dispute can be found without such information.

Conclusions

The aim of this *Briefing Paper* has been to clarify the issues, not to propose solutions. If there is a single moral it is that the coal dispute is not (and should not have been allowed to become) a national dispute. Pit closures are a microeconomic issue which should be settled by marginal analysis on a case-by-case basis.

Such an analysis might provide some justification for subsidies within the framework of the government's Medium Term Financial Strategy. But the marginal approach also shows that wage restraint could be an important factor in increasing the number of profitable (and hence secure) jobs within the industry.

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SECRET AND PERSONAL

Prime Minister


16

Daily Coal Report - Monday 29 October 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	24	-
(iv) On strike/picketed out	95	-

Although today's attendances were generally around the level of last week, there were modest but encouraging increases in North Derbyshire and the NCB's Western area. A record 209 men reported at Shirebrook (North Derbyshire).

NACODS men are working normally in the main working areas.

Coal Movements

172,000 tonnes were moved on Friday, bringing the total for the week to 877,000 tonnes.

38 coal trains ran on Friday.

Law and Order

No reports of major trouble today, though there were 2,000 pickets at Allerton Bywater and 2,500 at Brodsworth (Yorkshire).

NUM/NCB Negotiations

Present indications are that these will resume at ACAS on Wednesday. Scargill's continuing intransigence gives little cause for optimism, though reaction to the Libyan saga from the Opposition, other Trade Union leaders and more moderate members of his executive, will increase the pressure on him.

SECRET AND PERSONAL

Michael Eaton

Contrary to some of tonight's press reports, Mr Eaton is not resigning. Nor has his position as the Board's communicator been diminished by Mr MacGregor. On Mr MacGregor's instructions Eaton suspended interviews with the media while the Board considered the implications of the Libyan connection and determined its posture in advance of further talks with ACAS.

Line to Take

Clear that a vast spectrum of public opinion condemns Mr Scargill's activities with the Libyan authorities. The Government shares this deep concern. It is time for the voice of sanity to be heard once again on the NUM national executive.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson, Cabinet Office

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

SECRET



file

15 JRP

bc David Wabets

10 DOWNING STREET

From the Private Secretary

29 October 1984

PAYMENT OF STRIKERS' HOUSING COSTS

The Prime Minister has seen the proposals in H(84)41. She has commented that while they maintain parity of treatment between strikers in rented accommodation and those paying mortgages, they are, in effect, unfair to working miners who have to meet their housing costs in full. She suggests that the payments to Building Societies should be in the form of a loan, recoverable by the Government six months after the end of the strike.

I am copying this letter to the Private Secretaries to members of H Committee, Michael Reidy (Department of Energy) and Richard Hatfield (Cabinet Office).

(Andrew Turnbull)

Steve Godber, Esq.,
Department of Health and Social Security

SECRET

007/104



NDPM

RT 29/10

ENO

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Leon Brittan QC MP
Secretary of State
Home Office
50 Queen Anne's Gate
London SW1H 9AT

29 October 1984

John Leon

MINERS' DISPUTE: POLICING COSTS

Thank you for your letter of 18 October about the "knock - on" costs incurred by aiding forces.

I think it is important that the aiding force should certify in all cases at a senior level that the sums claimed represent additional expenditures which have been necessarily incurred as a direct consequence of the dispute. Provided that is done, I am content that officials should consider the level at which checks will apply. I also agree that the aided force should meet claims in full, subject to any such checks, and that they should rank for special grant.

I am, however, unhappy about the proposal in your seventh paragraph that a formula might be worked out to deal with items such as interest and payments to prosecuting lawyers. It suffers from the disadvantages of the flat rate payment system which you have rejected for the major items and there are in any event grounds for arguing about the admissibility of interest. Even if it can be correctly assessed in the narrow context of policing costs, there is the wider context of the range of payments between local and central government to be considered. In cases where payments have been delayed through industrial action, the precedents are against payment of interest and it seems doubtful whether any losses would begin to match the gains made over the years from the system of payment of specific grant in advance of the relevant expenditure.

I would suggest that the answer is to cover the auditable items such as the payments to prosecuting lawyers by the certification procedure and to reject interest claims for the reasons I have indicated. If an aiding force incurs significant expenditure which falls outside the certification arrangements, I would of course be willing to reconsider the position.

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

*Yours truly
Peter*

PETER REES

Not Ind: Cool Pt 14.

010

CMB

CONFIDENTIAL

Handwritten initials



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1

October 28 1984.

Handwritten signature: Peter Rees

SUPPLEMENTARY BENEFIT FOR STRIKERS

As you know, when we were considering the uprating of benefit earlier this year I postponed a decision on the amount by which the £15 "specified sum" should be increased.

Having considered this further, I have concluded that we should uprate the sum to £16 in accordance with the provisions of Section 6(2) of the Social Security (No 2) Act 1980. There may be some criticism, along the lines that we should amend the present regulations to prevent the situation in which a small proportion of strikers receiving benefit will lose up to 55 pence a week at the uprating (because the increased deduction will be greater than the increased benefit payable for their children). But I do not think it would be right to make such a change at present and would defend the £16 figure on the grounds that it is clearly in accordance with the established legislative requirements.

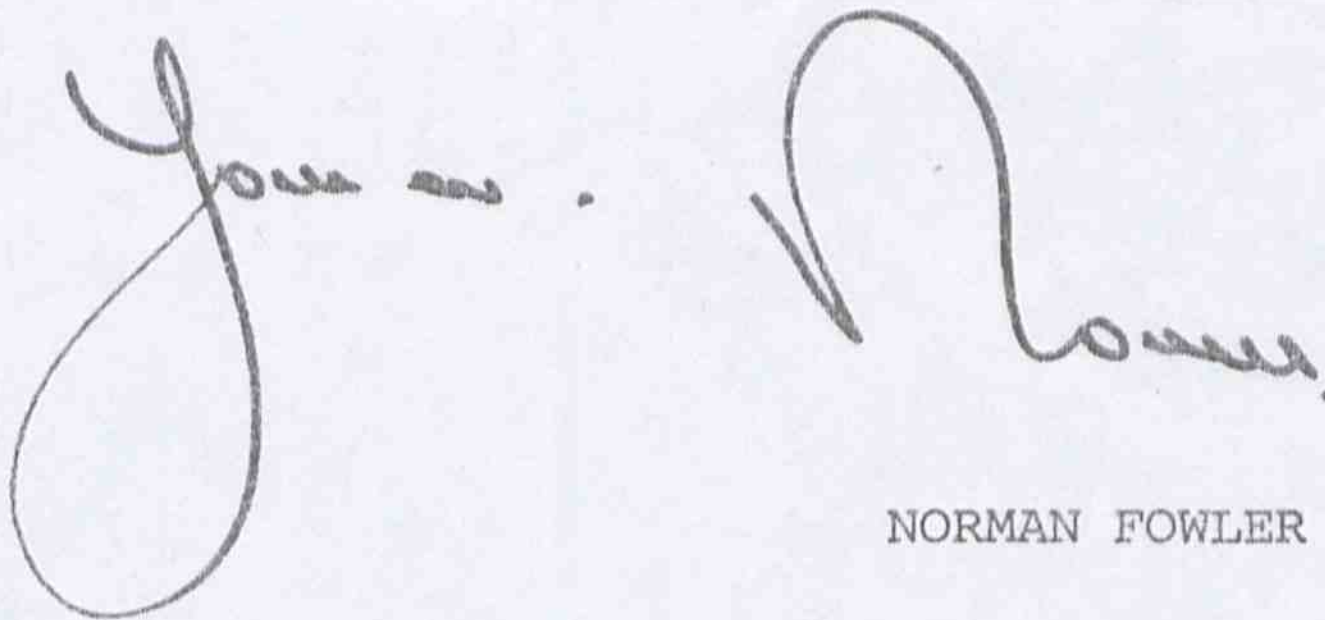
One other point has just cropped up, quite unexpectedly, on which I need your agreement. This concerns strikers who go sick. National insurance law disqualifies strikers from receiving unemployment benefit but that disqualification does not extend to sickness benefit. Thus a striker who goes sick can receive sickness benefit, though we adopt special procedures to ensure that the sickness is genuine. For many years (at least since 1948) supplementary benefit practice has followed the national insurance principle, so that a sick striker has not been disqualified for receiving benefit for his own needs, and the £15 deduction has not applied. The Chief Adjudication Officer, who as you know is statutorily independent, has recently had occasion to reconsider the position. His conclusion, after taking legal advice, was that the supplementary benefit disqualification, and therefore the £15 deduction, should continue to apply during sickness. This means that sickness benefit will continue to be payable to a striker who goes sick but that he will no longer be able to receive supplementation; and in the rare case of a striker who does not satisfy the contribution conditions for sickness benefit, he will not be able to receive supplementary benefit instead.

E.R.

CONFIDENTIAL

It would be possible by making an affirmative regulation to continue the arrangements operating before this revised interpretation of the law. I have concluded that this should not be done since a striker who goes sick has not lost earnings so that his position is essentially unchanged. The position of sickness benefit is different because it is a contributory benefit paid when a given contingency - sickness - arises. But I believe that it would be a mistake to withdraw supplementary benefit from a sick striker already receiving it. Accordingly, I propose that benefit should continue in such cases on an extra statutory basis. I should be glad to have your agreement to this.

I am copying this letter to the Prime Minister, Willie Whitelaw, Leon Brittan, Nigel Lawson, Peter Walker, Michael Heseltine, George Younger, Norman Tebbit, Tom King, Nicholas Ridley, David Young and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Fowler', written in a cursive style. The signature is positioned above the printed name 'NORMAN FOWLER'.

NORMAN FOWLER

Prime Minister

Mr Walker and Chancellor are in dispute about what figures to give on cost of strike - see attached letter. I hope they will resolve their differences but it could come up at the meeting. My hunch is that Mr Walker is going too far to play down the figures and may end up losing credibility. Chancellor wants to soften up public for PSBR overrun in 1984-85

P.01411

SECRET

PRIME MINISTER

AT
26/10

MISC 101(84)46th 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 wish to concentrate the discussion on the following matters:

- i. the progress of the NCB/NUM talks at ACAS;
- ii. any developments arising from the sequestration of the NUM's assets;
- iii. press reports about contacts between the NUM and the Libyans;
- iv. what efforts should be made from now on (notably by Mr Eaton) to influence striking miners to return to work.

BR: talks with unions about BREL

2. The Secretary of State for Transport may raise the question of whether the Chairman of British Rail can now go ahead with talking to the rail unions about the future of British Rail Engineering (BREL). When he mentioned this at the Cabinet on 18 October he was asked to ensure that any meeting on this subject was postponed. Now that the NACODS strike threat has been lifted, he may feel that BR should be allowed to go ahead with the meeting, so long as there is judged to be little risk of provoking industrial action by the rail unions. The Secretary of State for Energy will need to give his views.



SECRET

Next meeting

3. There is a meeting of MISC 101 provisionally arranged for Wednesday 31 October at 3.45 pm. There is however very heavy pressure on Ministerial time that day (notably arising from the public expenditure discussions). Unless developments over the weekend suggest otherwise, you may be content to cancel the Wednesday meeting and resume discussion at Cabinet on Thursday 1 November.

PLG

P L GREGSON

26 October 1984

SECRET

13

Prime Minister^②

To note the contrast between this approach and the line Peter Walker was taking at Cabinet, where he wanted to do nothing that runs any risks with endeavour. But the objective is not merely to endure so these options need to be considered.

MR TURNBULL

AT
26/10

26 October 1984

COAL DISPUTE

We need to regain and retain the initiative on the miners strike rather than continue reacting to events.

Following the NACODS settlement, the NCB have been seen as conciliatory and Scargill has been left looking intransigent. The sequestration of the NUM funds is a further blow for the miners. We now need to retain this initiative.

On the negotiating side we must:

- a. Make no further concessions.
- b. Eliminate the idea that further NCB concessions are just around the corner (so as to stop any dithering in the drift back to work).
- c. Place more cards in our hand by upping the stakes and increasing the pressure (see later).
- yet d. Make it publicly clear that the NCB's door is always open for further talks with the NUM; but stress that it is Scargill's turn to start making the concessions that are needed if such talks are to be meaningful.

SECRET

SECRET

Upping the Pressure

We should let at least a week go by to allow the NACODS issue to fade away, then up the stakes using some of the following:

- a. Regular publicity on the number of faces already lost, the number under threat, and to report step by step, their deteriorating condition.
- b. Close more faces with full publicity (with Eaton saying how desperately hard they have tried for a settlement and how regrettable this further loss of jobs is and how it is the result of NUM's total inflexibility).
- c. If there is no return to work by a certain date withdraw the promises about capital investment in the non-working areas.
- d. Withdraw assurances of no job losses for those that do not return, particularly in pits where faces are lost due to the strike.
- e. Produce a 5 year plan for coal as promised to NACODS. This could contain alternative scenarios based upon how the strike ends, on costs of coal and the ability of coal to compete with other fuels. There could be three or four options showing various difficult futures for demand. The good employment impact of increased productivity and lower prices should also be shown. No specific closures should be identified but the general problem of a high cost industry explained.

SECRET

SECRET

- f. Start the NACODS consultation procedure for a slowly accumulating number of pit closures in strike areas. An explicit factor in this should be the cost of keeping them open whilst the strike continues and the likelihood of deterioration whilst they are not being worked. Scargill should be invited although he will not attend.

We should also use this as an opportunity to show just how bad the financial case is for specific uneconomic pits.

- g. Withdrawal of the existing 1983/84 wage offer for those not working after a certain date, and an 1984/85 pay offer for those that are. (Of course this position would not be sustainable once the strike has ended).
- h. Take steps to link up gas supplies to one or two power stations.
- i. Increase the price that the CEGB pay to private generators in line with their current marginal cost to encourage them to supply more electricity to the national grid. This is already being done in part.

Pressure from this list will:

- a. Show the Government/NCB is doing something.
- b. Encourage an increasing drift back to work.
- c. Give us more to negotiate with Scargill if this becomes necessary.

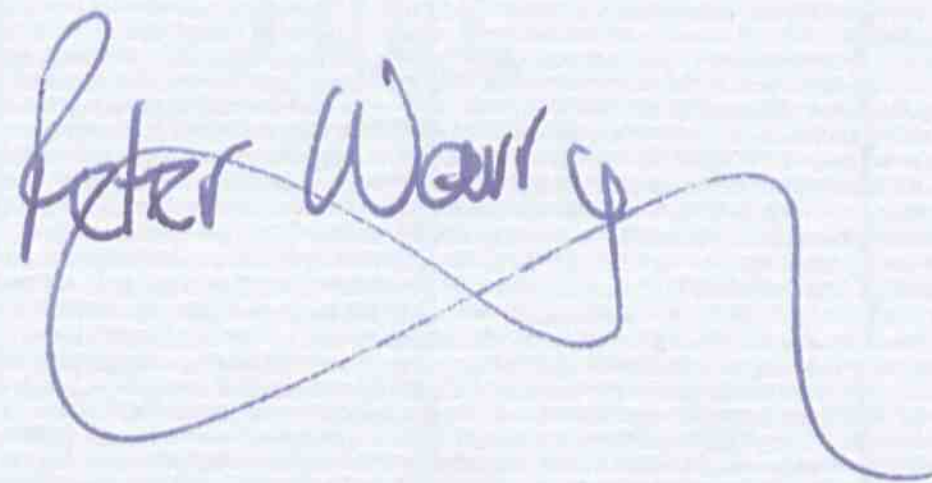
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- 3 -

SECRET

These options should only be released gradually, initially as threats then later as decisions. Always more in sorrow than anger and pointing out that just as Scargill cannot wish the courts away equally he cannot pretend financial reality away. Each decision must be presented as Scargill's decision - the result of the NUM continuing to stay out and its failure to make any concessions whatsoever.

If the strike ends by agreement the right time to implement pit closures will be three to six months later: sufficient time for men to be back in the habit of working but not to have forgotten the hardships of striking, and sufficient time for them to be making headway into their accumulated debts but not to have cleared them. To have any chance of meeting this timetable we will need to start operating the NACODS pit closure procedure now. (Announcement of the results during the winter period would obviously have to take account of the coal stocks then available).

Closures were the point and the beginning of the strike, they are necessary, and when the strike ends we must be in a position to implement them.

A handwritten signature in blue ink that reads "Peter Warry". The signature is stylized with a large, sweeping flourish that loops back under the name.

PETER WARRY

SECRET



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

26 October 1984

Dear Andrew

ENDURANCE

I attach the latest report on power station
endurance and statistics fact sheet on stocks.

Copies go to Margaret O'Mara and Richard Hatfield.

*Yours
John*

J S NEILSON
Private Secretary



POWER STATION ENDURANCE

- 1 Coal deliveries to CEGB power stations last week were 0.73mt (including non-NCB sources) the highest level since the strike began. Coal burn was just below 0.73mt and there was a marginal increase in stocks. The Board's stocks last Sunday night (21 October) were 14.7mt with a further 0.9mt at Scottish power stations.
- 2 Total NCB deliveries last week were 0.90mt of which about 0.21mt 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 0.49mt per week. The average over the past eight weeks has been 0.64mt.
- 4 The range of endurance outcomes is estimated by the CEGB as follows:-

<u>Average coal deliveries</u>	<u>Oil burn (% of maximum)</u>	
	<u>90%</u>	<u>100%</u>
0.30mt/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 0.52mt/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

24 October 1984

Copy No **2 of 14**
26 October 1984

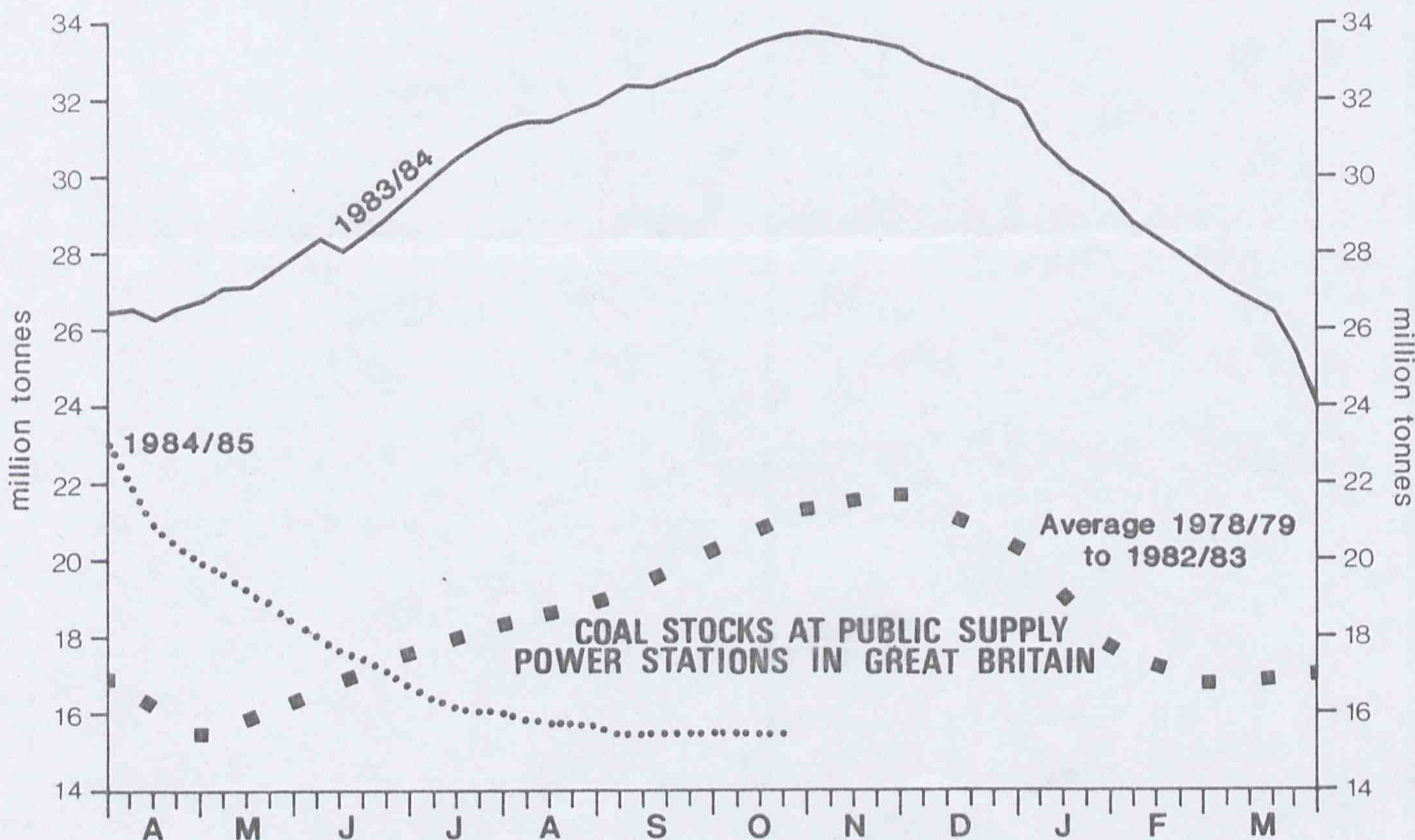
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 22.10.83: 29.9.84 6.10.84 13.10.84 20.10.84

COAL	PRODUCTION	deep mines+	2.22:	0.43	0.54	0.53	0.54
	(m. tonnes)	opencast+	0.29:	0.30	0.28	0.31	0.30
		TOTAL	2.51:	0.73	0.82	0.84	0.84
COAL	PRODUCTIVITY(2)	'overall' o.m.s	2.64:	1.97	2.44	..	..
	(tonnes/manshift)	'production' o.m.s	11.05:	11.90	11.78	..	..
UNDISTRIBUTED STOCK							
	(m. tonnes)	TOTAL	24.29:	22.10	22.02	21.92	21.85
STATIONS	COAL STOCKS	(m. tonnes)	33.71:	15.56	15.57	15.52	15.52
	COAL CONSUMPTION	"	1.57:	0.63	0.69	0.73	0.73
	COAL RECEIPTS	"	1.63:	0.70	0.70	0.68	0.73
STATIONS	OIL STOCKS(3)	"	1.40:	1.26	1.12	1.23	1.17
	OIL CONSUMPTION(3)	"	0.07:	0.54	0.55	0.49	0.55
	OIL RECEIPTS(3)	"	0.07:	0.39	0.36	0.56	0.44
POWER	ELECTRICITY SUPPLIED (4) (GWh)		:				
	Nuclear	"	787:	815	802	838	783
	Other Steam	"	3,767:	3,510	3,679	3,612	3,715
	TOTAL	"	4,554:	4,326	4,480	4,450	4,498
	TOTAL - temperature corrected	"	4,417:	4,261	4,292	4,484	..

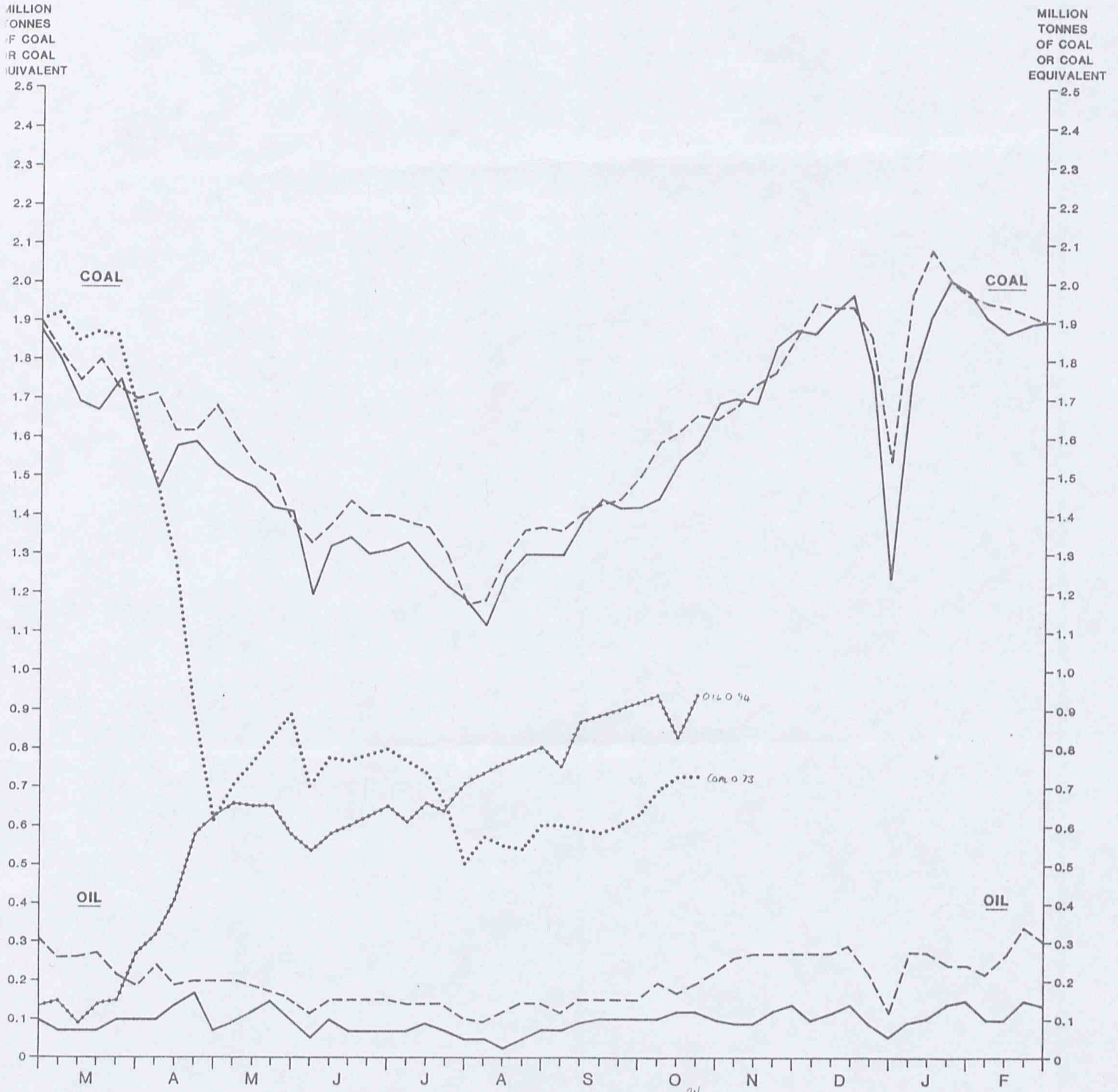
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



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

Key

- COAL } March 84 to February 85
- OIL } March 84 to February 85
- March 83 to February 84
- Average 1977/78 to 1981/82



01 211 6402

SECRET AND PERSONAL

David Peretz Esq
Private Secretary to the
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON SW1

26 October 1984

Dear David

As you will know from messages left with your office last evening and again this morning, my Secretary of State is most concerned about the reply to Mr Michael Meacher's Parliamentary Question about the cost of the miners strike. I believe this is due to be answered this morning.

As my Secretary of State understands it Treasury officials have recommended the Chancellor to give public expenditure and PSBR figures for end September and end October as follows:-

	<u>end September</u>	<u>end October</u>
Public Expenditure	<u>£700m</u>	<u>£900m</u>
PSBR	<u>£800m</u>	<u>£1000m</u>

and to say that these figure are increasing by £50 million per week.

My Secretary of State considers these figures to represent a seriously misleading over-estimate.

If any figures have to be given, he would much prefer to take the opportunity to switch to this Department's basis of calculation - of which you will be aware since Treasury has previously accepted that the methodology is valid - which produces substantially lower figures. He also believes that there is no case for giving any figures later than end August. A draft answer on these lines is attached.

I would be grateful if you would draw the Chancellor's attention to these views. My Secretary of State will be available on the telephone later this morning if the Chancellor wishes to speak to him.

I am copying this letter to Robin Butler.

Your sincerely
M F Reidy

M F REIDY
Private Secretary

As I informed the House on 31 July and 1 August, my estimate was that the strike had then added about £300/350m to public expenditure this year, or about £400m to the PSBR taking account of loss of miners' income tax and national insurance contributions. My estimate for the public expenditure cost to 31 August is about £350-£400m and for the PSBR cost about £400-£450m.

10

Daily Coal Report - Friday 26 October 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	24	-
(iv) On strike/picketed out	95	-

Little change since yesterday. There were again good attendances in the main working areas, with NACODS working normally in these areas.

Coal Movements

It is likely that this will prove another excellent week for coal movements. 180,000 tonnes were moved yesterday.

38 coal trains ran.

Law and Order

9 men were arrested at Shuttlewood, near Bolsover, following fire damage to Coal Board property.

Pickets threw ball bearings at a bus taking working miners to Shirebrook pit (North Derbyshire).

In Scotland a working miner was seriously assaulted as he waited for a bus to Monkton Hall.

Sequestration of NUM Assets

Seizure of the union's assets has started. Funds sequestered will be placed on deposit or moved to the account of the

SECRET AND PERSONAL

commissioners of sequestration.

NUM/NCB Negotiations

Yesterday's talks at ACAS proved fruitless. The two sides are to meet again t an early date to be decided by ACAS - probably Monday. Scargill seemed determined to continue the conflict, so the chance of progress on Monday seems slight.

Line to Take

The NACODS settlement is a triumph for commonsense. It proves that unions and the Coal Board can negotiate sensibly.

Miners who care about their industry have only one enemy - the NUM national executive, whose intransigence is causing increasing suffering and hardship in mining communities.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL

File

GRS 110

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FM WARSAW 251455Z OCT 84

TO ROUTINE FCO

TELNO 517 OF 25 OCT 84

YOUR TELNO 906 OF 19 OCTOBER : POLISH COAL INDUSTRY

1. WE HAVE NO DETAILS ON RECENT OR PLANNED PWT CLOSURES.
2. MANY POLISH MINES OPERATE AT A LOSS AND COAL PRODUCTION IS HEAVILY SUBSIDISED. THIS INCIDENTALLY CREATES BUSINESS OPPORTUNITIES FOR BRITISH MANUFACTURERS OF MINING MACHINERY ESPECIALLY THOSE WHO SPECIALIZE IN EQUIPMENT FOR EXPLOITING NARROW OR DIFFICULT COAL SEAMS.
3. AS THERE IS A LABOUR SHORTAGE IN THE POLISH MINING INDUSTRY AS WELL AS IN OTHER INDUSTRIAL SECTORS, ANY MINERS FREED BY A CLOSURE WOULD BE REDEPLOYED ELSEWHERE.
4. POLISH POLICY IS TO OPEN NEW LARGE MINES PRODUCING BETWEEN 12 AND 20 THOUSAND TONNES PER DAY AT THE RATE OF ABOUT ONE A YEAR TO KEEP PRODUCTION AT PRESENT OR VERY SLIGHTLY HIGHER LEVELS. WE HAVE BEEN TOLD THAT ABOUT 1 AND A HALF PWTS ARE CLOSED PER YEAR.
5. THERE ARE NO CONSTRAINTS ON USING THIS INFORMATION PUBLICLY.

MORGAN

MINIMAL
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COPIES TO:
 PS / S OF S, D/ENERGY
 MR FITZGERALD, COAL DIV,
 D/ENERGY
 MR TURNBULL, NAIO D. ST

CONFIDENTIAL

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GR 240
CONFIDENTIAL
FROM MOSCOW 251435Z OCTOBER
TO PRIORITY FCO
TELEGRAM NUMBER 1222 OF 25 OCTOBER
INFO SAVING WARSAW

YOUR TELNO 906 : COAL INDUSTRY.

1. WE HAVE NO DETAILS OF RECENT OR PLANNED PWT CLOSURES IN THE SOVIET UNION AND DISCREET ENQUIRIES WITH OTHER EMBASSIES HAVE NOT PRODUCED ANY RELEVANT INFORMATION.
2. YEFIMOV, A DEPUTY CHIEF EDITOR OF INVESTIJA, TOLD MINISTER ON 1 OCTOBER THAT THE SOVIET UNION FOLLOWS THE SAME POLICY AS THE UK : WHEN A PWT IS NO LONGER VIABLE, THE MINERS CONCERNED ARE GIVEN MATERIAL INCENTIVES TO MOVE TO ALTERNATIVE AREAS. THE MOVE IS PREPARED 'SEVERAL YEARS' IN ADVANCE THROUGH DISCUSSIONS BETWEEN THE MANAGEMENT AND UNION. THOUGH YEFIMOV WAS NOT SPECIFIC, HE GAVE THE IMPRESSION THAT A PWT DOES NOT HAVE TO BE COMPLETELY WORKED OUT BEFORE IT IS CLOSED.
3. THIS IS NOT 'PUBLICLY AVAILABLE INFORMATION' AND COULD NOT BE USED DIRECTLY, ON AN ATTRIBUTABLE BASIS. BUT WE WOULD SEE NO OBJECTION TO YOUR SAYING, IF IT WERE THAT USEFUL, THAT WE BELIEVE THE SOVIET AUTHORITIES FOLLOW BROADLY THE SAME POLICIES OF CLOSING UNVIABLE MINES AND GIVING THE MINERS CONCERNED MATERIAL INCENTIVES TO MOVE TO ALTERNATIVE AREAS.
4. A FURTHER POSSIBLE SOURCE OF INFORMATION WHICH YOU MAY LIKE TO PURSUE IS THE BRITISH ELEMENT IN THE UK/USSR WORKING GROUP ON THE COAL INDUSTRY, OF WHICH THE BRITISH CO-CHAIRMAN IS MR PETER TREGELLES, DIRECTOR OF THE NCB MINING RESEARCH AND DEVELOPMENT ESTABLISHMENT (MRDE).

SUTHERLAND

MINIMAL
ESSD
SOV. D
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TRED
RESEARCH D.

COPIES TO:
PS/S OFS D/ENERGY
MR FITZGERALD, COAL DIV D/ENERG
MR TURNBULL, NO 10 D. ST.

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Full AT

Members' Brief

No. 24
25th October 1984

COAL INDUSTRY DISPUTE

The Offer

Miners are being offered a package of unprecedented generosity. It includes:

- (i) A wage increase of 5.2 per cent backdated to last November. This is greater than that accepted by many groups of workers, including those in the power, gas, railway and water industries. It would keep miners' earnings over 25 per cent above average male earnings in manufacturing industry.
- (ii) A commitment not to impose any compulsory redundancies. Any miner who wishes to continue working in the coal industry will be able to do so.
- (iii) An opportunity to take voluntary early retirement on terms more generous than in most other industries. For example, a miner aged 50 with 30 years' service would receive a capital sum of £14,500 and £79 a week until normal retirement age, assuming he failed to find another job. For those under 50 a capital sum of £1,000 per year of service (since the age of 16) is available.
- (iv) A continuation of the capital investment programme – £2 million a day since 1979 – in new machinery, new collieries and new coal faces to create new jobs. This will enable the industry to produce cheap coal and therefore expand its markets. By contrast, France is to cut its mining industry by half.
- (v) 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.
- (vi) An amendment to the existing colliery review procedure to enable an independent review body to give its view on any closure if asked to do so. Full weight would be given by the NCB to its advice.

Intransigence of the NUM

The NUM executive has consistently refused to allow their members a ballot of all their members. 70,000 miners took part in area ballots in March; they voted overwhelmingly not to strike. There are at present 70,000 men working in the mining industry, one third of the workforce. Many more who might wish to work are dissuaded by intimidation. On the terms offered Mr Walker said: 'I am confident that it would be accepted by miners had they the opportunity of a ballot on those terms' (*Hansard*, 22nd October 1984, Col. 447).

The Negotiations

Three major series of negotiations have taken place between the NUM and the NCB in an effort to settle the dispute. The first two series of negotiations (4th-19th July and 9th-14th September) failed to reach agreement because the NUM insisted that no pit, however uneconomic, should be closed unless the closure could be justified on grounds of safety, complete exhaustion of reserves, or severe geological difficulties. A third series of negotiations began on 3rd October under the auspices of ACAS following an initiative by NACODS.

The NACODS Dispute

On 28th September the 16,000 members of the pit deputies' union, NACODS, voted by a majority of 82.5 per cent to take strike action. The ballot paper dealt with three separate issues: the NCB's plans to reduce capacity, its alleged breaches of conciliation procedures, and the NCB's decision to issue new guidelines in August, stating that members of NACODS would not be paid if pickets prevented them from getting to work. Of these three issues the second and third were resolved with the NCB but on plans to reduce capacity. NACODS requested the NCB to hold a meeting with the NUM under the auspices of the Advisory Conciliation and Arbitration Service (ACAS). The first set of these talks took place between 11th-15th October at which ACAS put forward a compromise formula the key element of which was that: '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 would be given by the parties to the advice of this independent review body'.

The NCB accepted this ACAS compromise proposal but the NUM rejected it. In an interview on BBC Radio 4 on 17th October, Mr Scargill confirmed that on the key question of pit closures he had not moved an inch since the dispute had started in March. At the breakdown of the talks the NACODS executive announced that they intended to take strike action on Thursday, 25th October. A second set of negotiations took place at ACAS on 22nd and 23rd October. After these talks NACODS put the NCB's latest proposals to their national executive and on 24th October the executive voted unanimously to call off the planned strike. Negotiations between the NCB and the NUM are continuing at ACAS.

Stocks

The Secretary of State for Energy, Mr Peter Walker, said: 'There are substantial stocks of coal at the power stations, and I am pleased to inform the House that power station stocks at the end of last week were higher than they were at the end of August. The Government will continue to take all the actions that are necessary to see that the power stations continue to provide the energy necessary to protect the life of the nation and to preserve jobs' (*Hansard*, 22nd October 1984, Col. 446).

Damage done to the Industry by the Strike

On the threat of the strike to jobs, Mr Walker said: 'If the mobs that Mr Scargill has organised had had their way, we would by now have massive unemployment in the steel industry and many others. I am delighted to say that that has been stopped' (*Hansard*, 22nd October 1984, Col. 455).

Nevertheless, jobs have been lost, because the planned £700 million investment in the coal industry for this year has not taken place due to the strike. Furthermore, damage done to coal faces is probably now equivalent to the closure of 5 or 6 pits. Markets for coal are also being lost on a considerable scale.

The Labour Party and the Dispute

During this dispute the Labour Party has given total support to the NUM's demand that no pit should ever be closed on economic grounds. By contrast the Labour Governments in 1964-70 and 1974-9 closed 330 pits. At that rate of closure no coal industry would exist in six years' time. Mr Benn, then Secretary of State for Energy, boasted of his ability to secure the support of the NUM for pit closures on economic grounds. He said: 'I have never found the NUM in any way unreasonable where closures are necessary because of exhaustion or because pits are out of line in economic terms' (*Hansard*, 4th December 1978, Cols. 1015-6). Furthermore, the Coal Industry Act passed in 1977 made specific provision for the 'elimination of uneconomic colliery capacity' (Clause 6, section 1).

'Plan for Coal' Fulfilled

The Government has more than fulfilled the requirement for investment in the industry set out in *Plan for Coal* 1974. In the 10 years since *Plan for Coal* was written, £1 billion more at 1983 prices has been invested than was proposed in the *Plan*. The *Plan* also provided for improved productivity and closure of uneconomic capacity. However, the NUM has not fulfilled its commitment to increase productivity. This should have risen by 4 per cent per annum, but over the whole 10 year period it has risen by only 4.7 per cent. As regards uneconomic capacity, the *Plan* envisaged a reduction of 3-4m. tonnes a year. Actual reductions have been at a rate of only 1.7m. tonnes a year.

AT/AW

TELEPHONE
01-235 2020

TELEX 882161 HOB

CFPS? *SGW*

NATIONAL COAL BOARD
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1X 7AE

25th October 1984

^④
The Prime Minister,
10 Downing Street,
London, SW1.

Dear Prime Minister,

Thank you for your letter of 23rd October. All of us are greatly cheered by your personal interest. We are determined to keep coal despatches high, despite clearance of our big stocks in Nottingham - we are aiming, in present circumstances, at an average of at least 850,000 tonnes a week between now and Christmas.

To achieve this, I and my Regional Marketing Directors depend totally on the skill and application of our middle management and despatch staff to get around the endless obstacles which obstruct performance in a dispute as long and as extensive as this. One of the few good things about the dispute is that by putting them to the test, it has demonstrated how thoroughly our staff know their job and that only a little encouragement is needed for them to achieve amazing things. They will have to continue to excel after the strike when we plan the biggest sustained stocklift in the history of the industry.

Our objective in all this is to ensure the future market for our product. It cannot be beyond our ingenuity to make a success of the British coal business.

Yours sincerely,

Marleson Edwards.

copy to Mr. Peter Walker

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Prime Minister
not AT
25/10

Daily Coal Report - Thursday 25 October 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	10	-
(iii) Some men present	24	-
(iv) On strike/picketed out	95	-

There have been good attendances in the main working areas.

NACODS members have reported normally in these areas. Elsewhere there have been only one or two problems. In South Wales NACODS went on strike at two pits, and were providing only minimum cover at five others.

Coal Movements

177,000 tonnes were moved yesterday.

46 coal trains ran.

Law and Order

Once again Yorkshire has been the main centre of militant activity.

There were 6,000 pickets at Denby Grange. 17 policemen were injured under a hail of missiles as they escorted 4 working miners into the pit. There were 7 arrests. There were also 3,000 pickets at Kiveton Park.

10 writs have been served on Nottinghamshire Chief Constable by striking miners. These allege, inter alia, unlawful detention without charge and assault by police officers.

SECRET AND PERSONAL

To date 956 policemen injured in the dispute.

High Court Proceedings

The High Court has ordered the seizure of all the NUM's assets. The sequestration was authorised following the union's refusal to pay the £200,000 fine for contempt of court. The judge commented "What has brought the NUM to this sorry state of affairs of having all its property sequestrated is the refusal to accept that the members have rights against their union which the law should be allowed to protect."

NCB/NUM Negotiations

At the time of writing these were still in progress at ACAS.

Line to Take

The NACODS settlement is a triumph for the commonsense and reasonableness shown by both sides.

NUM members who have suffered so much at the hands of Mr Scargill should consider how their losses and hardship will escalate if reason does not soon prevail in their union.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

SECRET AND PERSONAL

SP

CONFIDENTIAL



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6400

Switchboard 01-213 3000

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON SW1

24 October 1984

Dear Andrew,

... I now attach a copy of the statement of the NCB's proposals which are to be considered by the NACODs executive this morning. These have not been published so far but quite a lot of copies are circulating.

A copy goes to Michael Reidy.

Yours ever

David Normington

D J NORMINGTON
Principal Private
Secretary

CONFIDENTIAL

So
see

NOTE FOR THE PRIME MINISTER

REINSTATEMENT AND REIMBURSEMENT OF BENEFIT TO STRIKING MINERS

Now that courts have said this dispute is unofficial are you going to reimburse the strikers for the £15 wrongly deducted?

No, Sir. The £15 deduction is made whenever supplementary benefit is paid because of a trade dispute and it does not depend upon the strike being official.

[The definition of "trade dispute" is the same where the question of a striker's disqualification from benefit arises - same as above.]

BACKGROUND BRIEF

EARLY DAY MOTION 1006

Under the provisions of Section 6(1)(b) of the Social Security (No 2) Act 1980 any supplementary benefit otherwise payable for the dependants of a person involved in a trade dispute is reduced by a specified sum, currently £15. The term "trade dispute" is defined in Section 19(2)(b) of the Social Security Act 1975 and this definition makes no distinction between disputes which are official or unofficial, or indeed lawful or unlawful. It is equally irrelevant whether the striker is a union member or not.

When the No 2 Act was debated the then Secretary of State for Social Services (Patrick Jenkin) made it plain that the intention was that either the striker himself or his union should bear part of the cost of maintaining dependants. The deduction does not therefore depend upon or assume receipt of strike pay but in order to enable the union to play its part the Act simultaneously introduced a special disregard up to the amount of the specified sum (£15) of any payment made by the union to the striker.

Daily Coal Report - Wednesday 24 October 1984

The NACODS Executive Committee has decided to call off the NACODS strike. The news was announced this afternoon and represents a massive blow to Scargill. The NACODS General Secretary Peter McNestry issued a statement that the executive "expressed satisfaction and unanimously agree to call off the strike". The Coal Board are shortly to issue a statement welcoming this news. By agreement with NACODS neither side will release until tomorrow at the earliest the text of the Board's document which led to the settlement.

The Board and the NUM are scheduled to resume negotiations tomorrow.

The rest of the days news is as follows:-

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

There are good attendances in the main working areas; little change elsewhere. However in Scotland the total number reporting has risen to 350, including a record 199 at Bilston Glen.

Coal Movements

177,000 tonnes were moved yesterday.

39 coal trains ran.

Law and Order

NUM picketing was heavier today, especially in Yorkshire. 2,000 pickets clashed with police at Denby Grange. 3 policemen were injured. There were 3,000 pickets at Yorkshire Main. There were also scuffles outside Didcot power station, though the station continued to function.

High Court Proceedings

The NUM has until midnight to pay the £200,000 fine imposed two weeks ago for contempt of court. The fine was imposed after the union described the pit strike in Yorkshire as official, breaching an injunction obtained by two working miners. Failure to pay the fine could result in the High Court ordering seizure of the union's assets.

Line to Take

Welcome the responsible actions of the NACODS Executive who have clearly had in mind the interests of their members, their members' families, the working miners and the future of the industry.

Distribution: Members of MISC 101, Paymaster General,
Sir Robert Armstrong, Mr Gregson

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



Ref. A084/2824

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

You will wish to invite oral reports from:

- i. the Secretary of State for Energy on:
the number of pits and miners working
coal movements
- ii. the Secretary of State for Employment on:
an assessment of the role of the TUC in relation
to both the NACODS and NUM disputes.
- iii. the Home Secretary on:
picketing and intimidation
progress in dealing with criminal cases.
- iv. [the Attorney General on:]
[likely developments regarding the sequestration of
NUM funds if the £200,000 fine has not been paid.]

2. You may wish to establish a line for Ministers to take in any public statements they may need to make during the next few days.

Next Meeting

3. The next meeting of MISC 101 has been arranged for 11.30 am on Monday 29 October.

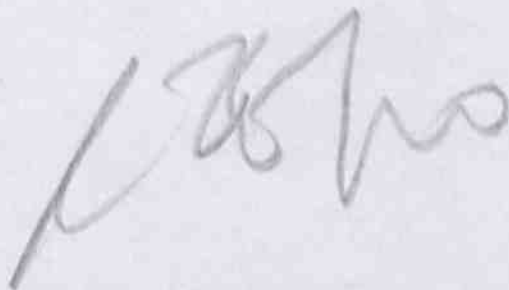
Rx
Approved by
ROBERT ARMSTRONG
and signed in his absence

24 October 1984

Nat Incl: Coal
On Blup 26/10.

NCB With Compliments

Chairman's Office
National Coal Board
Hobart House, Grosvenor Place
London SW1X 7AE
Tel. 01-235 2020

A handwritten signature in dark ink, appearing to be 'P. B. Ho', is written in the bottom right corner of the card.

File

Ian MacGregor

23rd October, 1984.

Rt. Hon. Lord Shawcross, GBE, QC,
Morgan House,
One Angel Court,
London,
EC2R 7AE.

Thank you for your letter of 10th October.

I doubt whether further correspondence would be helpful and I hope it might be possible for us to meet for an exchange of views.

It might be interesting for you to know the story of the NACODS dispute at first hand. The formula they advanced is aimed at curtailing the management's right to manage. They further exacerbated the situation by demanding language in the agreement that severely restricts management's authority to close uneconomic pits. This is, of course, the issue surrounding the NUM dispute and, as the NUM has failed to convince their own men to stop work, you can see the attractions of recruiting others to help in the campaign.

You will see that we have taken a great deal of your advice, for which we are grateful.

I am asking my secretary to telephone yours to find a convenient date for us to get together.

Sincerely,

cc The Prime Minister ✓
The Rt. Hon. Peter Walker, MP

4008/10/84/B/005/MS

BF 29/10/84

PPS please NOT G/L 1

- 1. MR BUTLER ^{FERB}
- 2. PRIME MINISTER

cc Mr Alison

Caroline

Could you please fix this with Mr C.

Mr. Concannon

telephone request.

DMB
24/10

Mr. Don Concannon has asked to see you for a brief word about the position of the Nottingham miners if they are laid off. Mr. Walker regards Mr. Concannon as generally moderate and sensible, and suggests that you agree to his request. He advises, however, that it might be better to postpone the meeting for a few days, until the Coal Board's attitude is clearer.

This suggests a meeting next Tuesday (30 October) at the House after Questions. Agree?

DMB

Yes no

Caroline ✓ 25/10

I've fixed this with Mr Concannon - to be reviewed in the light of events

23 October 1984

DMB
24/10

STATEMENT OF NATIONAL COAL BOARD PROPOSALS

AT MEETING WITH NACODS, TUESDAY 23RD OCTOBER 1984

Introduction

The Board accept entirely that a major component in the management of the industry depends on understanding and trust between the Board and NACODS. It is the Board's wish that such trust should be established and maintained.

You opened this morning by referring to a number of items previously discussed and I think agreed satisfactorily between us and indeed the Board's attitude confirmed to you in recent correspondence. However, I will refer to them again so that there may be no misunderstanding.

Officials' Attendance at Work - 1974 Guidelines

The Board have withdrawn the 15th August statement and management have been instructed to observe the pattern of behaviour which had been established in each Area with regard to the 1974 guidelines. Arising out of this affirmation, management has been instructed that payments arising shall be paid retrospectively to all Officials.

The points raised in this connection by you this morning will be pursued immediately. We hope to clarify the position later today.

It is our intention that all shifts in compliance with the 1974 guidelines are to be paid. If there are questions of compliance these must be resolved promptly.

Conciliation Procedure

The Board do value the conciliation procedure and it is our intention that it should be operated constructively and fairly at all times and at all levels of management.

As Mr. Jones observed this morning, the essence of this will be seen in the future but you may be assured of the Board's intent to obtain an arrangement satisfactory to both parties.

Supervision of Work in Cavities - The Hammond Case

As previously stated by the Board to you, we reaffirm that it is our intention that the Hammond case shall be pursued constructively along the lines as stated by Mr. Cowan in his letter of 17th July.

It is the Board's purpose that the case shall go to the House of Lords only on the basis of clarifying the legal ruling.

Closed Shop

As previously stated in our letter to you of 27th September, the Board acknowledge that we do at present recognise with you a de facto closed shop. The Board agree that this arrangement should continue into the future. Should the Association seek a formal agreement on this matter, however, it would have to be undertaken in compliance with current legislation.

The Five Pits

The Board undertake that Polmaise, Herrington, Bulcliffe Wood, Cortonwood and Snowdown will remain open to be considered in common with all other pits under the Co@liery Review Procedure.

March 6th Proposals

Again, as stated in our earlier discussions with you, the March 6th proposals will be reconsidered - in concert with all the Unions - in the light of the loss of output which has occurred as a result of the dispute and the changes in the needs of the market

arising also from the circumstances of the dispute. The Board will reconsider the proposals for the industry and revise the objectives for the individual Areas. A new set of objectives will be prepared for each area to reflect the production possibilities available at the time the dispute ends.

Colliery Review Procedure - Independent Review Body

The Association has asked for a revision of the Colliery Review Procedure to ensure that it operates effectively and fairly within the industry. In your document of 26th September you asked specific for:-

- (i) An early warning procedure where local members believe their colliery is deliberately, by various means, being run down as a prelude to closure investigations.
- (ii) Inside the Colliery Review programme, greater availability to Branch Officials, when preparing a case to oppose closure, of time and facilities to information.
- (iii) Any final notice of closure to be issued would allow National Officers time to consult the membership.
- (iv) Any final closure notice not agreed between the NCB and the Association to be subject to an appeal to an independent body.

As previously stated, the Board are very ready to re-examine the Review Procedure and to adopt any amendments which will improve its effectiveness. The Association will appreciate, of course, that this must be done in a way which will meet with the approval of all the parties concerned, including NUM and BACM.

The Board believe that the procedure as it stands is unique and is something that we should all make work. This will, of course, require the active effort of all the parties, not just that of management.

You clearly are concerned that the arrangements should work so that at local colliery level as well as area level there will be an early and continuing understanding of the prospects of the pit concerned. We believe our plans should be readily understood and updated in the form of two year plans reflecting both market and production opportunities. We believe that if this is done it should remove the fear you have that actions will be taken covertly which would shorten the life expectancy of a pit without reaching an understanding among all the parties concerned.

Given that this is done we would expect that there should not be conflict over investment or other operational decisions. If, however, such conflict arose, that could be dealt with from that early stage within the Review Procedure so that all parties could be given ample time to brief themselves adequately.

If, at the end of this process, the matter was still in conflict and might lead to a foreshortening of a colliery's life expectancy, this question, as has already happened in the past, can be referred for national consideration and, indeed, would then be subject to the Independent Review Body and full weight given to its findings, just as would be the case in any question of a distinct closure closure proposal.

23rd October 1984



*Coul
Brewer*

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

Tim Flesher Esq
10 Downing Street

23 October 1984

Dear Tim

I enclose as promised an extract from the Supplementary Benefit Handbook on trade disputes. It does not in itself represent a statement of the law but the references are at the end. It is the latest (1983) edition.

*Yours ever
S H F*

S H F HICKEY
Private Secretary

12 Trade Disputes

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General

12.1 Special rules apply to a person who is without employment because of a stoppage of work at his place of employment.¹ To qualify for normal supplementary benefit as an unemployed person the claimant has to prove that he is not participating in or directly interested in the dispute which caused the stoppage.

12.2 Where there is a claim for unemployed benefit the supplementary benefit decision follows the decision on the unemployment benefit claim.² Thus if the claimant is disqualified from receiving unemployment benefit because of a trade dispute — whether he is a striker or, for example, 'locked out' — he is regarded as involved in a trade dispute for the purposes of his supplementary benefit claim also. If there is no claim for unemployment benefit, or a decision on that claim is awaited, the person is treated as involved in the dispute unless or until a claim for unemployment benefit is made and it is decided that the trade dispute disqualification does not apply to it.

12.3 A person involved in a trade dispute — called a striker for the purpose of this chapter — is not entitled to supplementary benefit for his own requirements.¹ There are special rules for the benefit payable for his partner and children and for any urgent need arising during the dispute but not connected with it.

Strikers without a partner or children

12.4 A striker without a partner or dependent children cannot qualify for normal benefit; he can only get help with certain urgent needs unconnected with the strike (see paragraph 12.11).

Strikers with a partner or children

12.5 Although a striker gets nothing for himself, he can get benefit for his partner and dependent children once the period covered by his final earnings has run out (for example a fortnight where the striker has worked a week in hand).³ If the last week's earnings are more than two and a half

times the family's normal scale rates, the excess is regarded as available income and set against the benefit requirements for the next week.⁴

12.6 The striker's entitlement for his family is worked out in the normal way except that:

1. the striker gets nothing for his own requirements;¹
2. the amount of the normal requirements for his partner is generally the single non-householder scale rate;⁵
3. additional requirements for non-striking members of the assessment unit are not allowed except for:
 - a. heating⁶ — the additions in sub-paragraph 2.a of paragraph 4.5 and paragraph 4.11 (the higher rate for serious illness or disablement or where mobility or attendance allowance is being paid);
 - b. blindness⁷ — the addition in paragraph 4.16;
 - c. diets⁷ — the additions in sub-paragraphs 1 and 2 of paragraph 4.17 for diets needed for diabetes, tuberculosis, serious digestive disorders and kidney failure);
 - d. hospital visiting⁷ — the additions in paragraph 4.24 (regular visits to members of the household or close relatives in hospital or similar institutions);
4. £15.00 is deducted from the weekly benefit entitlement.⁸

12.7 The income and savings of the striker and his family are taken into account in the normal way except that:

1. up to £15.00 of strike pay is ignored;⁹
2. certain earnings from the employer such as bonuses received during the strike remove the family's entitlement to benefit for an appropriate period;³
3. although income tax refunds are not generally available to strikers¹⁰ any such refunds which are received by the striker are taken into account in full⁸ in the week of receipt.¹¹

12.8 The only urgent need payments available to the striker and his family are those at paragraph 12.11.⁸

Other strikers

12.9 Where the striker is the partner of a claimant who is not on strike, the striker's own requirements are excluded from the claimant's benefit and the rules in paragraph 12.6 and sub-paragraphs 1 and 3 of paragraph 12.7 apply. The claimant's normal requirements are limited to the single non-householder scale rate and his or her benefit is reduced by £15.00. Where the claimant and his or her partner are both on strike and there are

no dependent children, there is no normal entitlement, but if they have dependent children the striker can get benefit for their requirements in accordance with paragraphs 12.5 – 12.8.

Urgent need payments

12.10 Strikers and their families cannot get single payments or urgent need payments under the normal rules.¹² Instead, certain urgent need payments may be made¹³ where the need cannot be met:

1. by other persons, public authorities, trade unions, relief funds or comparable sources to whom it is reasonable to expect the assessment unit to look for help; or
2. from capital (including that which is normally disregarded for supplementary benefit purposes) or from income not taken into account in the claimant's assessment; or
3. from available credit facilities.

12.11 Subject to the qualifications above, help may be given for:¹⁴

1. emergency relief — the expenses and items in paragraph 10.9 and 10.10 (immediate relief of distress in the case of fire, flood or similar disaster);
2. diets — the addition in sub-paragraph 2 of paragraph 4.17 for a diet needed under that sub-paragraph (for kidney failure); and for diets which cost more than that figure, the extra cost of the diet;
3. fares — essential fares for special transport for a disabled child to and from school.
4. maternity needs — the items in paragraph 9.8 (provided the birth or adoption occurs 11 weeks or more after the beginning of the strike);
5. essential household equipment — the repair, replacement or provision of a substitute (whichever is the cheapest) of household equipment for heating and cooking essential to health or safety;
6. visits in cases of illness — the expenses in paragraph 4.24 for a visit by:
 - a. any member of the assessment unit (including the striker) to a close relative or member of the household who is critically ill (whether or not in hospital);
 - b. a non-striking member of the assessment unit to a close relative or member of the household who is in hospital, and sub-paragraph 3.d of paragraph 12.6 does not apply;
 - c. the striker to a partner or to a dependent child (if he has no partner) in hospital.

12.12 Payments made under sub-paragraph 1 of paragraph 12.11 may be subject to recovery as in other urgent need cases.¹⁵

After the trade dispute

12.13 For the 15 days after return to work a former striker can get benefit if he receives insufficient wages and if an adequate advance from his employer is not available.¹⁶ Normal benefit entitlement rules are applied (in particular, the former striker can get benefit for his own requirements) but any advance of wages or loan available from his employer is taken fully into account.¹⁷ Any income tax refund available in the period is also taken into account except that £4 is disregarded.¹⁸ Benefit is not payable if the weekly amount of entitlement is less than £3.¹⁹ Any benefit paid in these circumstances is treated as a loan to be repaid later from earnings.²⁰

References

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. SB Act section 8 2. Determination of Questions Regulation 5 and 5A 3. Conditions of Entitlement Regulation 9/1(b) and 9(3) 4. Resources Regulation 10(2)(e) 5. Requirements Regulation 6(1) 6. Requirements Regulation 12(2)(a) and (b) 7. Requirements Regulation 13(3) and (4) 8. Social Security (No 2) Act 1980 section 6(1) 9. Trade Disputes and Recovery from Earnings Regulation 12 10. Finance Act 1980 11. Resources Regulation 3(2)(d) 12. Social Security (No 2) Act 1980 section 6(1)(c); Urgent Cases Regulation 6(1)(b); and Single Payments Regulation 6(1)(b) | <ol style="list-style-type: none"> 13. Trade Disputes and Recovery from Earnings Regulation 3 14. Trade Disputes and Recovery from Earnings Regulations 4-9 15. Trade Disputes and Recovery from Earnings Regulations 4 and 11 16. SB Act section 9 17. Resources Regulation 10(6) 18. Resources Regulation 3(2)(d) and 11(5)(a) 19. Claims and Payments Regulation 10(2) 20. SB Act section 9(2) and Trade Disputes and Recovery from Earnings Regulations 13-23 |
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AT 23/10

Daily Coal Report - Tuesday 23 October 1984

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

Again little change in attendances today.

Coal Movements

172,000 tonnes were moved yesterday, a good total for a Monday.

28 coal trains ran.

Law and Order

Although picketing was heavier than yesterday, no major disturbances have occurred.

Scargill's Outburst

Scargill today repeated his false claim that the NUM had agreed to two ACAS proposals. A copy of Mr Walker's rebuttal is attached.

Talks with ACAS

At the time of writing the talks at ACAS are continuing. At NACODS request the TUC have gone to the ACAS building. There are no reliable indications about the possible outcome.

SECRET AND PERSONAL

Line to Take

Since the recent ballot of NACODS members the Coal Board has made major concessions to meet their points of concern. There can be no justification for strike action in these circumstances.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong,
Mr Gregson, Cabinet Office

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

SECRET AND PERSONAL

Poor Mr Scargill how he wriggles. The public know that he endeavoured to suggest that there were two ACAS documents that he agreed with and there were two that he disagreed with. He did not make it clear to the public that the two he agreed with were papers expressing his views. One cannot do better than put on record very clearly the statement which the Chairman of ACAS made publicly on the World at One programme on 17 October as to the four documents which were tabled during the ACAS negotiations.

The first two papers ... one was prepared by the NUM and it was headed "Suggestions arising out of discussions with the NUM on 6 October" and that set out what we understood to be the NUM's requirements for dealing with the particular clause in question.

The NCB drafted their own ideas - that document didn't carry a heading.

The third document is the only one that carries the title "ACAS proposals". That was a document we prepared to try and reconcile the differences between the two sides in respect of the first two documents.

The fourth document which is headed "Modified suggestions arising out of discussions with the NUM" was a document which the NUM asked us to prepare at the time which set out their ideas as to how the ACAS proposal should be varied. But the important point to make is as far as ACAS is concerned there was in fact only one document which carries the title "ACAS proposal" and represents in fact an ACAS proposal."

So let the whole nation be aware in the words of the Chairman of ACAS that there was "only one document which carries the title ACAS proposal which represented in fact an ACAS proposal." That

was the one document which the National Coal Board agreed to and the National Union of Mineworkers rejected. The only two documents that Mr Scargill agreed to was the one setting out what ACAS understood to be the NUM's requirements and the one which was headed "Modifying suggestions out of discussions with the NUM". A document which the NUM asked ACAS to prepare to set out their ideas.

Mr Scargill has been exposed. The only proposal made by ACAS was the one which he rejected.

SECRET



ccpd
5

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

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

Prime Minister (2)
This emphasises the need to
stand by working miners
Yes - absolutely
AT 23/10
23 October 1984

New Peter.

mt

In considering the position if the NACODS strike goes ahead, you should be aware of the consequences that will ensue so far as social security benefits are concerned.

The position is that, if working miners are laid off as a result of the NACODS strike, they will be disqualified for benefit and subject to the £15 deduction in the same way as striking members of the NUM and NACODS. The reasons for this have their origins in law on trade disputes dating back to 1911. As far as social security law is concerned, the 1975 Social Security Act and the 1980 Supplementary Benefits Act require that somebody who has lost employment as a result of a stoppage due to a trade dispute is disqualified for benefit, and subject to the £15 deduction, unless he can prove that he is not "participating in or directly interested in the trade dispute which caused the stoppage of work". The legislation does not distinguish between different categories of people (ie those on strike and those laid off) who are directly interested in the trade dispute.

The interpretation of this law in individual cases is a matter for the independent adjudication authorities. I understand that the Chief Adjudication Officer is in no doubt that, on the facts and on all the precedents, the connection exists in this dispute. He has, therefore, advised local adjudicating officers accordingly.

I am sending a copy of this to the Prime Minister, the Home Secretary, the Secretary of State for Employment and Sir Robert Armstrong.

Joury 22/10

NORMAN FOWLER

SECRET



10 DOWNING STREET

THE PRIME MINISTER

23 October 1984

Dear Mr. Edwards,

Peter Walker has been keeping me informed of the efforts you and your colleagues have been making to keep coal moving during the current dispute. I have been greatly impressed with the way movements have not only been maintained but have even increased in recent weeks. Movement of 911,000 tonnes last week was a fantastic achievement.

I know that you personally have devoted yourself to this task with great determination. May I therefore express my gratitude to you and your colleagues for the enormously long hours you have been working and the ingenuity you have shown in keeping coal moving. The nation is indebted to you for what you have done to enable our economy to be kept at work.

Yours sincerely
Margaret Thatcher

Malcolm Edwards, Esq.

NC

SECRET

Prime Minister

Some ideas for tomorrow's meeting

AT 23/10

4

MR TURNBULL

23 October 1984

POWER STATION SUPPLIES AND FUEL IMPORTS

1. Scope For Using More Oil

The CEGB's 50 coal-fired power stations provide some 60% of total generating capacity. Most important are the 19 large coal-fired stations which account for nearly 50% of total capacity.

Coal-fired stations are fitted with oil burners to aid start-up and to stabilise coal combustion. For this purpose fuel oil is normally supplied by rail tankers. Because fuel oil is more expensive than coal, oil consumption is usually kept to an operational minimum. However, the CEGB tell us you can run coal stations on the oil burners alone. Although there are wide variations between individual stations, it is broadly estimated that the capacity of a coal station run on oil alone is of the order of one third the normal capacity.

We have followed up this line of enquiry we suggested in a recent note. CEGB are trying to use maximum oil but so far they have drawn the line at going for the big target - seven large coal stations mainly in strikebound areas. These have been shut down because, in current circumstances, their coal stocks cannot be replenished. At Didcot, CEGB

say they have run one coal-fired generator on oil, but this was no more than a modest "testing of the water". CEGB have to assess reaction of the power workers and oil industry tanker drivers; they may be able to go further in running more oil in coal stations.

2. Scope For Using More Gas

According to BGC/CEGB, Hams Hall and West Thurrock were converted to dual-capability coal/gas stations in the 1960s when BGC wanted large interruptible customers. In recent months Hams Hall has been switched from coal to 100% gas firing and BGC will try to maintain gas supplies through the Winter.

The gas-firing burners at West Thurrock no longer work. The CEGB have decided that to switch to oil is the most rapid option and are doing this as a matter of priority.

It would be worthwhile giving one or two favourably-located coal stations a gas capability. There are varying and imprecise estimates of how long this might take. Any further delay now will make any contribution to this strike less likely, but it is still important to reduce coal dependence in the longer term.

SECRET

3. Coal Imports

Proven capacity to move coal into and out of the UK is in the region of 30 million tonnes pa. In theory, there should be no difficulty in turning all that capacity to imports. It could probably be increased - say to 35 million or 40 million tonnes.

There is no recent experience which we have been able to unearth of moving bulk commodities, such as coal, by container. The most sanguine estimate we can come up with for shifting coal into the UK by all non-bulk methods is in the region of 10 million tonnes per annum - but that estimate is very rough, and this option would be costly and disruptive to other traffic.

The highest estimate for imports is thus in the region of 50 million tonnes pa, but wisdom dictates that that this physical assessment should be reduced to allow for the effect of industrial action. The behaviour of dockers becomes more unpredictable as time passes, but we cannot count on an easy ride. Our best guess would be sustainable imports in the region of 35 million tonnes pa by all methods.

We do not foresee a shortage of road haulage capacity to move the imports, but we do foresee the need to cope with violent mass picketing.

SECRET

SECRET

Conclusion

The best option, as Peter Walker says, is to move pithead stocks. But let's not rely solely on this card. Any opportunities quietly to increase coal imports should be seized. Similarly, unobtrusive initiatives to run more oil will have immediate benefits. Although less immediately beneficial, the gas-firing alternative is a good way of creating future flexibility, and should be pursued as a matter of urgency.

JMW

JOHN WYBREW

pp RY.

ROBERT YOUNG

SECRET

1. MR BUTLER

cc Mr Alison

2. PRIME MINISTER

Mr. Concannon

Mr. Don Concannon has asked to see you for a brief word about the position of the Nottingham miners if they are laid off. Mr. Walker regards Mr. Concannon as generally moderate and sensible, and suggests that you agree to his request. He advises, however, that it might be better to postpone the meeting for a few days, until the Coal Board's attitude is clearer.

This suggests a meeting next Tuesday (30 October) at the House after Questions. Agree?

23 October 1984

File

STATEMENT OF NATIONAL COAL BOARD PROPOSALS
AT MEETING WITH NACODS, TUESDAY 23RD OCTOBER 1984

Introduction

The Board accept entirely that a major component in the management of the industry depends on understanding and trust between the Board and NACODS. It is the Board's wish that such trust should be established and maintained.

You opened this morning by referring to a number of items previously discussed and I think agreed satisfactorily between us and indeed the Board's attitude confirmed to you in recent correspondence. However, I will refer to them again so that there may be no misunderstanding.

Officials' Attendance at Work - 1974 Guidelines

The Board have withdrawn the 15th August statement and management have been instructed to observe the pattern of behaviour which had been established in each Area with regard to the 1974 guidelines. Arising out of this affirmation, management has been instructed that payments arising shall be paid retrospectively to all Officials.

The points raised in this connection by you this morning will be pursued immediately. We hope to clarify the position later today.

It is our intention that all shifts in compliance with the 1974 guidelines are to be paid. If there are questions of compliance these must be resolved promptly.

Conciliation Procedure

The Board do value the conciliation procedure and it is our intention that it should be operated constructively and fairly at all times and at all levels of management.

As Mr. Jones observed this morning, the essence of this will be seen in the future but you may be assured of the Board's intent to obtain an arrangement satisfactory to both parties.

Supervision of Work in Cavities - The Hammond Case

As previously stated by the Board to you, we reaffirm that it is our intention that the Hammond case shall be pursued constructively along the lines as stated by Mr. Cowan in his letter of 17th July.

It is the Board's purpose that the case shall go to the House of Lords only on the basis of clarifying the legal ruling.

Closed Shop

As previously stated in our letter to you of 27th September, the Board acknowledge that we do at present recognise with you a de facto closed shop. The Board agree that this arrangement should continue into the future. Should the Association seek a formal agreement on this matter, however, it would have to be undertaken in compliance with current legislation.

The Five Pits

The Board undertake that Polmaise, Herrington, Bulcliffe Wood, Cortonwood and Snowdown will remain open to be considered in common with all other pits under the Colliery Review Procedure.

March 6th Proposals

Again, as stated in our earlier discussions with you, the March 6th proposals will be reconsidered - in concert with all the Unions - in the light of the loss of output which has occurred as a result of the dispute and the changes in the needs of the market

arising also from the circumstances of the dispute. The Board will reconsider the proposals for the industry and revise the objectives for the individual Areas. A new set of objectives will be prepared for each area to reflect the production possibilities available at the time the dispute ends.

Colliery Review Procedure - Independent Review Body

The Association has asked for a revision of the Colliery Review Procedure to ensure that it operates effectively and fairly within the industry. In your document of 26th September you asked specific for:-

- (i) An early warning procedure where local members believe their colliery is deliberately, by various means, being run down as a prelude to closure investigations.
- (ii) Inside the Colliery Review programme, greater availability to Branch Officials, when preparing a case to oppose closure, of time and facilities to information.
- (iii) Any final notice of closure to be issued would allow National Officers time to consult the membership.
- (iv) Any final closure notice not agreed between the NCB and the Association to be subject to an appeal to an independent body.

As previously stated, the Board are very ready to re-examine the Review Procedure and to adopt any amendments which will improve its effectiveness. The Association will appreciate, of course, that this must be done in a way which will meet with the approval of all the parties concerned, including NUM and BACM.

The Board believe that the procedure as it stands is unique and is something that we should all make work. This will, of course, require the active effort of all the parties, not just that of management.

You clearly are concerned that the arrangements should work so that at local colliery level as well as area level there will be an early and continuing understanding of the prospects of the pit concerned. We believe our plans should be readily understood and updated in the form of two year plans reflecting both market and production opportunities. We believe that if this is done it should remove the fear you have that actions will be taken covertly which would shorten the life expectancy of a pit without reaching an understanding among all the parties concerned.

Given that this is done we would expect that there should not be conflict over investment or other operational decisions. If, however, such conflict arose, that could be dealt with from that early stage within the Review Procedure so that all parties could be given ample time to brief themselves adequately.

If, at the end of this process, the matter was still in conflict and might lead to a foreshortening of a colliery's life expectancy, this question, as has already happened in the past, can be referred for national consideration and, indeed, would then be subject to the Independent Review Body and full weight given to its findings, just as would be the case in any question of a distinct closure closure proposal.

23rd October 1984



ENDURANCE AND A NACODS STRIKE

1. This note begins by describing a "worst case" in which a NACODS strike stops all coal production. It then considers ways of improving endurance from that "worst case". It considers the scope for achieving some production and then looks at imports, further movement of stocks and other means of extending power station endurance. Finally it discusses means of reducing electricity consumption.

The worst case

2. CEGB's latest estimates of endurance, assuming continued oil burn at maximum level, are as follows:-

<u>Average useable coal deliveries (NCB and non-vested)</u>	<u>Endurance</u>
0.0 mt coal per week	mid-January
0.1	late-January
0.2	early-February
0.3	mid-February
0.52	Autumn 1985

3. Residual coal flow. If a NACODS strike is solid and there is no further production of deep-mined coal, NCB believe it should be possible to deliver something like 350 kt of coal a week (perhaps realistically a range of 300 to 400 kt) to all users, of which 250 kt might go to CEGB. This assumes continued lift of stocks from opencast sites in the present working areas (say 100 plus kt) and deliveries of deep-mined coal from stock in the same areas



(say 200 plus kt).

4. This "worst case" assumes that the NCB will be able to man (with NUM working miners) and operate washeries in the present working areas. This ought to be perfectly possible, given the stance of the working miners and the fact that the NCB were continuing to pay them.

5. CEGB envisage, say, 40 kt of non-vested coal to add to the above, making a total of about 300 kt for power stations. Any fresh-wrought coal (because some NACODS men are at work in the Midlands) would be a bonus, although competition for limited washery capacity would limit that bonus. Thus, there is a potential shortfall of 200 kt a week compared with the level of deliveries hitherto judged necessary to secure electricity supplies throughout the winter.

A. Restoring some coal production.

6. Total withdrawal of NACODS threatens a total stop of production because of the impact of the safety regulations (Mines and Quarries Act, 1954, Regulations, Section B, Part 4). These regulations divide pits up into "districts" which are the responsibility of one deputy. The size of the district has to be such as to enable each deputy to examine all the ventilation, safety of roadways, conveyors, face equipment etc in the district during the course of 1½ hours. Two full inspections of the district must be carried out during each shift. Each deputy must have a certificate of competence, a Gas Testing and Hearing Certificate and a First Aid Certificate.

7. BACM members who are mining engineers have the certificate of competence but their Gas Testing and Hearing Certificates and First Aid Certificates lapse after five years and managers would often not bother to renew them. These certificates could, however, be renewed



relatively quickly after crash refresher courses.

8. 3,300 NACODS men were at work in the working areas earlier this week. Some might continue working. There are perhaps 1,600 BACUM members in the whole industry who have, or could speedily recover, the necessary certificates. There may be a very few NUM members in the working areas with the qualifications also. BACM would presumably not agree officially that its members perform NACODS tasks; it would be a question of persuading individual managers. It would be a matter of the practicalities and the vigour of Coal Board management whether a number of coal faces could be kept in production by drawing on these resources. But even 10% of present deep-mined production would contribute 50/60,000 tons a week to the 200,000 gap, provided the washeries could cope with it.

9. It is assumed that amending the safety regulations, whether directly or by emergency powers, should be ruled out. We are however studying further in detail the possibilities for replacing striking NACODS members, by crash programmes or in other ways.

B. Increased coal movements to power stations

10. Imports. CEGB stocks at Rotterdam are nearly 3m tons. Ministers have agreed that the NCB should draw on this to fulfil export contracts, but about 2m tons would remain and this could fairly readily be supplemented by "spot" purchases.

11. If the TGWU operators at the CEGB's two large coal burning Thameside stations could be persuaded to cooperate, coal could be brought in at, say, 150 kt a week. But CEGB are not optimistic that that can be done in the near future without risking, for example, the abnormal oil burn and TGWU cooperation elsewhere in the system.



12. However, they are exploring the option of bringing up to 30 kt a week of coal into Shoreham (using foreign or cooperative NUS crews) for use at Brighton B Power Station. CEGB soundings with their own staff at Brighton and with Shoreham Harbour have been encouraging. They will also consider whether coal could be imported through another southern port for delivery to a power station where that would not create an industrial relations problem. The trade statistics show over 1.3m tons of coal imports in September which certainly suggests that it ought to be possible to get coal imports to power stations, if necessary at second hand. We will pursue this.

13. Strike Bound Coal. NCB and CEGB agree that moving coal from opencast sites in strike bound areas is less difficult than moving deep-mined stocks from pitheads.

14. NCB and CEGB agree that the North East is a potential source of opencast coal. From two sites in Northumberland and four (smaller) in Durham, the NCB could draw up to 200 kt a week for at least ten weeks. But movement of this coal from sites in striking mining areas is likely to encounter heavy picketting, and vehicles would also be vulnerable on a long journey to Midlands power stations, not least because most of the sites are remote from the motorway. That would probably require convoys.

15. For these reasons NCB would prefer, if this operation were undertaken, to deliver to Blyth power station, but CEGB see serious industrial relations objections to that. They would prefer to send this coal, by lorry, to Midlands power stations. This would probably involve convoys of 30 vehicles travelling up to 150 miles. Four convoys in each direction during each hour of the day (and two an hour at night) would be required. The logistics are formidable but the option is less difficult than some others.



SECRET

-4-

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16. Scotland. No coal has so far moved to Scottish power stations during the strike but there are stocks of coal in Scotland which could, physically, be readily moved to SSEB power stations (Cockenzie/Longannet). CEGB are now using 75% of the capacity of the interconnector with Scotland. If coal could be moved in Scotland and use of the interconnector raised to 100% that would be worth 20,000 tons a week.



SECRET

~~-6-~~

17. Non-vested Coal. CEGB are already assuming that non-vested supplies can be stepped up from 35 kt to 40 kt a week. They judge this to be the maximum available.

18. Diversion of supplies from industrial consumers to CEGB. The diversion of coal from industry to CEGB raises its own political problems. There is a Government interest in maintaining production, employment etc and not generating pressure from industrialists. But it might be judged that endurance of the CEGB system was the top priority. NCB already envisage that they would reduce the rate of supply to industries with considerable stocks eg cement which has 10 weeks at present. There is a balance to be struck but some extra tonnage might be obtained for power stations, at least for a while.

C. Further savings on power station coal burn

19. CEGB judge that they have already gone very nearly as far as they can on oil burn, nuclear, gas turbines, purchase of private electricity etc. They are trying to make a little more progress on burning oil with coal in coal-fired stations, subject to industrial relations risks. They plan marginal refinements in tuning the system, involving risks of voltage reductions at peak periods which would be explained as the result of operational difficulties. These are worthwhile developments, but at the margin.

20. CEGB make the point what they can do without provoking resistance at power stations (notably by TGWU staff) depends on the general climate. In a serious situation where the Government was taking the lead on firm action to get through the winter and the NUM appeared clearly unreasonable to the great bulk of ^{the} trade union movement, action like imports or high profile stock movements would be easier than otherwise.



SECRET

-8-

need to be refined in further discussion with the electricity supply industry to take account of the present profile of electricity usage. The translation of percentage reductions in demand into endurance is not straightforward and would need to be further discussed with CEGB.

E. ASSESSMENT

24. The best possibilities for restoring winter-long endurance in the face of a NACOD's strike which left us about 2000,000 tons a week short of the necessary coal for power stations seem to be as follows (with an indication of the authorities who would have to act on political decisions):-

- (i) use managers for safety supervision in the working areas. 50/60,000 tons a week saved production ought to be possible.
Action: NCB.
- (ii) imports. 30,000 tons a week looks possible, but by no means certain. Potential for more substantial, but risks considerable.
Action: CEGB
- (iii) Scotland. Possibly up to 20,000 tons a week via the interconnector. But far from easy.
Action: SSEB/CEGB/Scottish Office.
- (iv) smaller measures. A modest yield from load management, limited diversion of industrial coal etc. Perhaps 5/10,000 tons.
Action: CEGB.



8.

- (v) national appeal for electricity saving. Difficult to predict saving but at least 5% might be possible - about 100,000 tons.

Action: HMG.

- (vi) open-cast coal from the North East. Up to 200,000 tons a week.

Action: NCB, CEGB, Home Office and police authorities.

25. There is an increasing degree of change of policy stance as one moves down the list of six measures. The last two in particular represent a significantly higher profile of policy than hitherto.



10 DOWNING STREET

From the Private Secretary

Prime Minister

Although some work has been done to answer Mr Gregson's examination paper, Mr Walker may prefer to go over the answers orally - perhaps showing you some charts and tables.

The meeting will be focussed on endorseance but before taking decisions on ~~the~~ some of the options you will want to involve Mr Birtan and Mr King at a further meeting.

AT
23/10

PROLONGING POWER STATION ENDURANCE

I. SITUATION IF NO NEW MEASURES ARE TAKEN

Assumption: worst case, i.e. all coal production ceases but it is possible for surface operations to continue at "working" pits so that existing stocks can be moved, and also for existing movement of opencast coal to continue.

How much stock is available and usable for power stations at these working pits?

What is maximum feasible weekly movement from stocks at working pits, and for how long?

What is maximum feasible weekly movement from opencast sites (under existing policy)?

Taking account of the above, what is best estimate of:

Total weekly movements
broken down by:
to power stations
to other customers.

II. MEASURES TO INCREASE COAL DELIVERIES TO POWER STATIONS

a. Imports

(i) What is available to CEGB at Rotterdam?

- what would be maximum weekly delivery to CEGB power stations within logistical constraints?
- how could the industrial relations risks (especially in respect of power station workers) be minimised?
- are we sure that the benefits outweigh the risks (e.g. to maximum oilburn)?

(ii) What imports could be brought in from other sources?

- what would be the timelag in making contracts and securing deliveries?
- what would be the maximum weekly delivery to CEGB power stations within logistical constraints?
- how could the industrial relations risks be minimised? (would roll on/roll off be feasible?)
- are we sure that the benefits outweigh the risks?

b. Pithead stocks at strike-bound pits

How much stock is available and usable for power stations at strike-bound pits?

What are the power stations to which these stocks would need to be moved?

(In particular:

are they in "striking" areas like Yorkshire?

would long road journeys be involved?)

What is maximum feasible weekly movement from strike-bound pithead stocks?

(In particular:

would workers be required at the pithead to load the coal, and, if so, where could they come from?

would the contractors and drivers at present moving coal from "working" pits be willing to move coal from strike-bound pits?)

Would a limited operation be worthwhile?

(i.e. secure just enough weekly deliveries to see us through the winter by concentrating on a few pithead sites).

What would be the attitude of power station workers?

Are we sure that the benefits outweigh the risks?

- c. Stocks at opencast sites which cannot be moved at present

How much stock is available and usable for power stations at opencast sites?

What are the constraints on more movements?
(e.g. planning restrictions, union opposition)

How could the constraints be relaxed?

What additional weekly delivery could be secured, how soon and over what period?

Are we sure that the benefits outweigh the risks?

- d. Diversion of coal to power stations for other customers

How much would be available for diversion each week?

Who gets the existing deliveries?

Which of these customers could be made to
take less without serious repercussions?

III. MEASURES TO MINIMISE COAL BURN IN POWER STATIONS

Can the CEGB do any more to increase

- nuclear
- oilburn
- gas
- generation by unorthodox measures

IV. MEASURES TO REDUCE ELECTRICITY CONSUMPTION

What options are available?

- voluntary economies
- voltage reduction
- restriction on less essential
uses (display lighting, etc)
- rota cuts
- 3 day week
- any others

What would be percentage saving from each measure?

What would be effect on extending endurance if
introduced at various times?

Any measures available to counter Scargill's
"Switch on at Six" campaign?

V. MEASURES TO MAINTAIN COAL PRODUCTION

How far can NCB monitor production by using NUM
members with safety certificates,
BACM members, etc.?

VI. ASSESSMENT

Which measures are likely to bring most benefit
with least risk?

At what stages should they be activated?

18 October 1984

SECRET

3A

②
Prime Minister

Some ideas for tomorrow's meeting

AT 23/10

MR TURNBULL

23 October 1984

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- 2 -
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JMW

JOHN WYBREW

pp RY.

ROBERT YOUNG

- 4 -
SECRET

ccc Press
Question
AT

THE COAL DISPUTE

With permission, Mr Speaker, I will make a statement about developments in the coal dispute during the Recess.

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The Government regrets the failure to accept the ACAS compromise proposal, which would have enabled the damage being done to the coal industry to cease and the widespread violence that has occurred throughout this dispute to come to an end.

Over 70,000 men were at work in the mining industry last week, a third of the industry. Most of these men had the chance of a ballot as required by normal NUM procedures. They had decided to work.

There are substantial stocks of coal at the power stations and I am pleased to inform the House that power station stocks at the end of last week were higher than they were at the end of August. The Government will continue to take all actions which are necessary to see that the power stations continue to provide the energy necessary to protect the life of the nation and to preserve jobs.

Following the negotiations that have taken place throughout the summer I wish to remind the House of the package that is now on offer to the miners. A wage increase from last November providing earnings way above average industrial earnings and greater than that gained by many groups of workers. An undertaking that any miner who wishes to continue working in the industry will be able to do so. Exceptionally generous provisions for those who choose a course of early retirement when a pit needs to close. A capital investment programme more than double that of the rest of the European community put together, a programme to secure an industry capable of obtaining expanding markets in the future. An amended colliery review procedure

which includes all the provisions that have operated under Labour and Conservative Governments for many years past but adds to it provision for an independent review body, whose advice will be given full weight before any decision is made. The creation of the new enterprise company whereby for the first time the Coal Board will be active in financing, advising and providing accommodation to new enterprises and businesses to benefit the mining communities.

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File

Misc 101 - disms,

Possible Memo to Ash

(2)

PRIME MINISTER

AT 22/10

mt

22 October 1984

mt

John suggested I sent you further details on the legal position of the case of the National Coal Board (NCB) against National Union of Mineworkers (Yorkshire Area).

In my opinion, the NCB still has a case against the Yorkshire Area NUM. I set out the details below if you wish to ask the Government lawyers for their view of this line of argument.

Neither Attorney General nor Solicitor General are available for Misc 101 tomorrow

14 March 1984

Interim hearing before Mr Justice Nolan in the Queen's Bench Division for injunctions Order as sought:

The Yorkshire Area of the NUM do forthwith withdraw any instruction, authority or statement made by them which is calculated to provoke, encourage, assist in the organisation of, or otherwise facilitate, unlawful picketing by their members at the Plaintiff's premises.

Further, the Defendant be restrained by themselves, their servants or agents from

organising, procuring, financing or encouraging,
or otherwise facilitating, unlawful picketing by
their members at the Plaintiff's premises until
trial or further order.

19 March 1984

At a hearing before Mr Justice Caulfield the matter was
adjourned generally at the request of the Plaintiff (NCB)
because the Board then hoped the proceedings were
unnecessary because at that stage they felt a ballot was
likely.

Present Position

The case has gone no further; no Statement of Claim or
other pleadings have been filed. The Board's position is
that the proceedings are now stale, probably too stale to
revive. They have, however, considered the evidential
position and now appear to be satisfied that a breach of the
above Order could be established.

The Current Evidence

- (a) As revealed in the 'Times', 20 October 1984, the
NUM has co-ordinated the strike (Document 1
-

attached). Although this relates to the NUM rather than the Yorkshire area it is further supporting evidence to the case that the NCB had in March.

- (b) Transcripts of the TUC Annual Conference contain statements which, in the view of the NCB, amount to admissions of breaches of this Order (Ref NCB Legal Department).
- (c) Various reported statements of Arthur Scargill are express admissions of infringements of this Order (Ref NCB Legal Department).

Other Relevant Cases

You have already seen this.

- (1) Taylor & Foulstone v NUM (Yorkshire) and NUM.
- (2) Taylor & Others v NUM (Derby). (Documents 2 and 3 attached.)

In these Chancery cases brought by working miners for declarations that the strike infringes NUM rulebook and is unlawful, the whole history of the dispute is well set out (see eg Document 2, pages 9-16). In Taylor v NUM the Union was declared to be in contravention of its rules and permanent injunctions were given to that effect (see Document 3, pages 19-21). In the former case only interim *injunctions were granted pending a full hearing.*

Conclusion

The injunction of 14 March 1984 could, on present evidence and on present judicial attitudes, be extended if the NCB chose to pursue the matter further. On what I am told by the NCB I do not believe that it will be necessary to join or substitute the NUM as defendant in addition to the Yorkshire area, but this cannot be ruled out.

H. Booth

HARTLEY BOOTH



SECRET

3

P.01408

PRIME MINISTER

MISC 101(84)45th 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 wish to concentrate on the following:

i. the latest assessment of the likely rank and file response to the NACODS strike call;

ii. the prospects for further talks under the aegis of ACAS, and the tactics for any such talks;

iii. the role of Mr Eaton;

iv. the handling of the TGWU in relation to opencast production and movement;

(Mr Walker is seeing Mr Henderson who heads the relevant section of the TGWU; increased movement of opencast is vital for endurance if the Nottinghamshire pits cease production but the TGWU is threatening a ban on opencast production as well as movement unless the civil contractors concede NCB-type redundancy arrangements)

v. likely developments in the courts over the fine on the NUM;

(the deadline for payment is Wednesday; how soon will sequestration of NUM assets follow? what are the likely consequences of that?)

SECRET



SECRET

- vi. the line to take over the next few days. *and the note you should strike at Questions.*

BSO Survey

2. Mr Lamont, who will be representing the DTI, may raise the question of whether the Business Statistics Office (BSO) should carry out a survey of the effects of the coal strike. When this idea has been discussed on earlier occasions, it has been thought undesirable.

Next meeting

3. You will wish to consider whether you want to proceed with the MISC 101 meeting provisionally arranged for 5.00pm on Wednesday 24 October.

PLG

P L GREGSON

22 October 1984

2

Daily Coal Report - Monday 22 October 1984

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

Negligible change in attendances since last week.

Coal Movements

911,000 tonnes were moved last week, of which 669,000 went to the CEGB.

38 coal trains ran on Friday, making a total for the week of 192.

Law and Order

Picketing was generally light this morning. There were no reports of serious incidents.

Since the dispute began 951 police have been injured. A total of 7,401 arrests have been made.

Industrial Relations

The NUM are to meet NACODS at ACAS tomorrow for further talks. Meanwhile the indications from weekend meetings in Leicestershire, Nottinghamshire and Derbyshire are that many NACODS members will support the strike which is due to begin on Thursday.

SECRET AND PERSONAL

7,000 opencast coal workers, who are members of the TGWU, have voted to ban the movement of coal stocks. The opencast sites in question are leased by the Coal Board to private firms. This ban, if effective, might have a limited impact on coal movements, though there are few movements from stock at present.

Appointment of Michael Eaton

The appointment of Michael Eaton to handle the Board's public relations in the dispute was a decision by Mr MacGregor. It is not clear whether Eaton will be involved in future negotiations. That, too, is a matter for Mr MacGregor.

Commons Statement

The full text of Mr Walker's statement is attached.

Line to Take

As usual stress key elements of Coal Board offer.

Also, stress there was only one "ACAS Proposal" - the one which the NCB accepted and the NUM rejected.

Distribution: Members of MISC 101, Paymaster General, Sir Robert Armstrong, Mr Gregson (Cabinet Office).

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

SECRET AND PERSONAL

cc 1103
Question
AT

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10 DOWNING STREET

From the Private Secretary

SECRET

22 October 1984

PAYMENTS TO STRIKING MINERS FOR MORTGAGE INTEREST

The Prime Minister has seen your Secretary of State's minute of 19 October and is content that he should bring forward proposals to H Committee next week for a change in the supplementary benefit regulations to allow payments to miners in relation to mortgage interest to be made direct to building societies.

She has also noted that your Secretary of State will be studying a wider range of options and she looks forward to seeing proposals in due course.

I am copying this letter to David Peretz (H.M. Treasury).

ANDREW TURNBULL

Steve Godber, Esq.,
Department of Health and Social Security.

CST.

SECRET

File

cc FERB

MR. TURNBULL

Peter Walker called the Prime Minister this evening. He was very unhappy with the way the appointment of Mr. Eaton had been handled. The impression had been given of a change in policy in handling the miners' strike. To make matters worse, Mr. MacGregor had been unavailable all day. He was, however, planning to see both Mr. MacGregor and Mr. Eaton tomorrow. He would also make a statement in the House tomorrow afternoon to try to set the record straight.

Peter Walker also said that he had heard from a source in the Coal Board (not Mr. MacGregor) that Ned Smith and his deputy were both resigning in early November following a meeting with Mr. David Hart. They objected most strongly to the terms in which Mr. Hart had spoken to them. Mr. Walker asked whether the Prime Minister was aware of this. The Prime Minister said that she was not.

C.D.P.

C.D. POWELL

21 October 1984

CO-ORDINATING THE COAL BOARD CASE

Area Director's New Role

A. Feaney
File

Mr. Michael Eaton, Director of the National Coal Board's North Yorkshire Area, has been seconded on a temporary assignment to assist the Headquarters office of the Chief Executive in co-ordinating communications within the Board and with the public presentation of facts in connection with the current industrial dispute. Mr Eaton continues to hold responsibility for the North Yorkshire Area.

- end -

Press Office (1923)

October 20, 1984

BIOGRAPHICAL NOTE:

William Michael Eaton, who is 50, was born in Chesterfield and educated at Kings School, Pontefract, and Doncaster Technical College. He graduated B.Sc. (Mining Engineering) at Nottingham University in 1955.

His first appointment after completing his managerial training was as Undermanager at New Monkton Colliery, Barnsley, in 1958.

(more)

He became Manager of South Elmsall Colliery, Doncaster, in 1961, and was appointed Agent Manager of Yorkshire Main Colliery, Doncaster, in 1964, becoming General Manager of that colliery in 1965.

After spending a year in Staff Administration Branch at NCB headquarters in London in 1967, which included a course at the Graduate School of Business, Stanford University, California, he was made Managing Director of Tredomen Engineering Ltd in South Wales. He returned to Yorkshire as Deputy Director (Mining) of the Barnsley Area in 1970 and Director of Barnsley Area in November, 1971.

He was appointed Director of North Yorkshire Area with effect from April 1, 1974; and has been responsible for the development of the new Selby coalfield.

- end -

0074P

LET'S FIND A WAY TO END THIS DISPUTE NOT PROLONG IT.

Members of NACODS.

This is the position so far.

We have agreed to re-examine our March 6th proposals.

We have withdrawn our August 15th statement and agreed to revert to the 1974 guidelines about payments to NACODS members during disputes.

We have made back-dated payments to officials who lost money under the August 15th guidelines.

And we accepted your Union's suggestion of third party involvement in the Colliery Review Procedure.

We went at your Union's request to ACAS – so that ACAS could produce a settlement we all could agree on.

ACAS produced what they called an "even-handed" proposal – a compromise, fair to all parties.

Despite our own reservations, we agreed to it in an attempt to get the industry back to work.

Your Union rejected the ACAS proposal.

We have offered solutions to all 3 grievances on your September ballot paper.

If, despite this, you still go out on strike, there is nothing more we can offer to bring you back to work.

Much of the industry has been on strike since March.

The Board did all they could at ACAS to end this dispute.

Surely there is no need to prolong it.

NCB

We're doing all we can to keep the pits open.

MR. BUTLER

MINERS' STRIKE

David Hart telephoned the Prime Minister this morning.

The Prime Minister said that the press had got hold of the fact that Mr. Hart could get through direct to her. It was very important that he should not talk about his direct access. Mr. Hart said that he would not. He was infinitely deniable.

Mr. Hart said that Peter Walker's statements over the last few days had created some confusion and uncertainty and had upset Mr. MacGregor. The Government should not show weakness. The Prime Minister said that she would send Mr. MacGregor a copy of her letter to Mr. Kinnock. (I will deliver this during the weekend.)

Mr. Hart said that his information was that NACODs members were very unhappy about the strike call.

C.D.P.

(C.D. POWELL)

20 October 1984

VC2AAD

Powermen vote 'no' to miners

By Glen Allan

Power workers yesterday made it clear to miners that they will not support the TUC's call for "total support" for their seven-month-old strike.

A secret ballot of more than 43,000 members of the Electrical, Electronic, Telecommunications and Plumbing Union has resulted in a five to one vote against taking action to support the miners. Nearly 60 per cent of the EETPU membership concerned took part in the ballot and decided by 20,000 to 3,864 against supportive action.

The decision will come as no

surprise to Mr Arthur Scargill, president of the National Union of Mineworkers, for he was warned at the TUC Congress in Brighton last month by Mr Frank Chapple, then general secretary of the EETPU, that he could expect no support from power workers.

Nevertheless, it will come as a blow, for with the help of EETPU power station workers, the NUM could have made its strike felt in the form of power cuts sooner rather than later this winter.

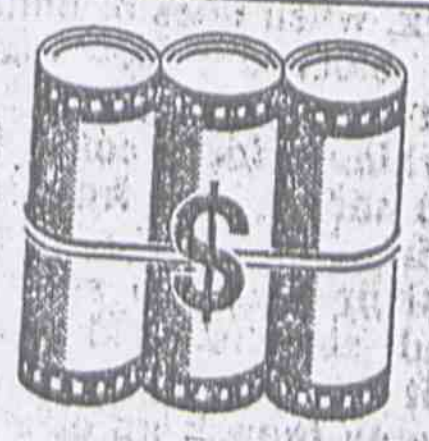
The vote by the EETPU craftsmen, who carry out maintenance and other work at

power stations, is a big boost to the Government, which next week faces the threat of a strike by pit deputies.

Last night, Mr Eric Hammond, leader of the EETPU, said: "I believe that it is a rejection of the tactics of the National Union of Mineworkers' leadership in this dispute, a rejection of their refusal to hold a ballot, and a rejection of the organized violence which is changing the face of British trade unionism for the worse. Finally, it is a rejection of the attempts to use this dispute for political ends."

Brodsworth battle, page 2

on the state of dentistry in the NHS



Star Chamber
The Hollywood elite have issued so many lawsuits against each other it is becoming a multi-million dollar industry

How the NUM controls deployment of pickets

By Rupert Morris

Minutes of a meeting of the National Union of Mineworkers that have come into the hands of *The Times* confirm the way in which major picketing in the dispute is coordinated.

The work is done by a National Control Centre, manned 24 hours a day, at the NUM headquarters in Sheffield.

Staff coordinate information on coal movements and supply a strategic link between the union's areas.

Of the 35 to 40 full-time staff in Sheffield, at least two, sometimes assisted by members of the executive, usually man

the centre on a rota basis. The centre is on the eleventh floor of the building, and contains maps and several telephones. Journalists and television cameras have not been welcome in the office.

Although precise movements of pickets are decided by individual areas, this is based on information from the National Control Centre and, in turn, each will inform the centre of its dispositions.

If, for instance, an NUM member were to receive information about plans to import

Continued on back page, col 3

MINUTES OF THE NATIONAL CO-ORDINATING COMMITTEE HELD ON WEDNESDAY, 4th JULY, 1984

"That 24 hour picketing of Power Stations be maintained and that no fuel or other materials be permitted to cross out. Picket Lines: Where there were difficulties, the National Control Centre would be available for assistance. Furthermore, the Secretary be requested to communicate with all Unions representing Power Workers seeking solidarity action."

The document showing how pickets are coordinated

If you were deaf and blind...



... you could be totally dependent on someone else for the rest of your life - and probably you would never even speak.

RNID's Deaf/Blind Centre in Bath cares for Stephen and other youngsters like him. It gives them a home, for the present at least, but such care costs a fortune - with more staff than residents to meet their needs.

We urgently want to do more for more deaf/blind young people. Please help us to do so by giving what you can.

The RNID's other services include medical research and extensive scientific, technical, educational, welfare and information services.

RNID. The Royal National Institute for the Deaf.

Please send what you can afford to RNID, Room T, 105 Gower Street, London WC1E 6AH. For details telephone 01-387 8033.

The imprisonment for arson

Services Correspondent

for cases nearly we h. director Bucking- orison was iate place disordered rter. The done its not have ne whose ptive. Mr citor, Mr at the life in the going to the Lord Court of e weight suitable. avenue. began in

1981 when she set fire to a printing works, causing £100,000 worth of damage, and medical reports were given on her psychiatric state. Judge Verney said that the Department of Health had refused her a place in a special hospital and no other appropriate facilities were available in the county or region.

The health authority had, however, paid for Miss Porter to go to St Andrews on a three-year probation order. In April this year a mental health review tribunal recommended that she should not be discharged. In June, however, St Andrews discharged her and her behaviour deteriorated. Within two weeks she breached her probation order when she caused £700 worth of damage

to a car by scratching graffiti on it. She was found sitting on top of the car, whose door handles she had tied together, by the police.

Placed in a hostel for assessment, Miss Porter set a metal waste-paper bin alight, and Mr Marsh said that she had absconded regularly, assaulted staff and caused severe disruption.

The judge said that St Andrews was unable to readmit her, believing she would not respond to treatment, "and funds were not available" for such readmission. The court had to bear in mind that she could be a danger to the community and had to consider a period of indefinite detention.

"We are most unhappy to reach that conclusion", he said.

PART

13

ends:-

J Redwood to Am 19/10

PART

14

begins:-

CDP to FERB

20/10/84