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PREM 19 / 1578

PART 15

MT

SECRET

CONFIDENTIAL FILING

FINANCIAL POSITION OF THE COAL
INDUSTRY

NATIONALISED
INDUSTRIES

MINERWORKERS' PAY

PART 1: JUNE 1979

PART 15: NOVEMBER 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
22/11/84							
26/11/84							
28/11/84							
29/11/84							
1/12/84							
3/12/84							
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21/1/85							
23/1/85							
25/1/85							
20/1/85							
18/1/85							
PART							
ENDS							

PART 15 ends:-

CC(85) 2nd. conc. min. 4. 18.85.

PART 16 begins:-

TF to AT

20.1.85.

2. 10.2.85 to FRB 21.1.85.

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(85) 2 nd Conclusions, Minute 4 – Limited Circulation Annex	18/01/1985
CC(85) 2 nd Meeting, item 4	17/01/1985
MISC 101(85) 1	17/01/1985
MISC 101(85) 2 nd Meeting minutes	14/01/1985
CC(85) 1 st Conclusions, Minute 5 – Limited Circulation Annex	10/01/1985
CC(85) 1 st Meeting, item 5	10/01/1985
MISC 101(84) 51 st Meeting minutes	18/12/1984
CC(84) 41 st Meeting, item 4	13/12/1984
CC(84) 41 st Conclusions, Minute 4 – Limited Circulation Annex	13/12/1984
CC(84) 40 th Meeting, item 4	06/12/1984
CC(84) 40 th Conclusions, Minute 4 – Limited Circulation Annex	06/12/1984
CC(84) 39 th Conclusions, Minute 4 – Limited Circulation Annex	29/11/1984
CC(84) 39 th Meeting, item 4	29/11/1984
MISC 101(84) 49 th Meeting minutes	26/11/1984
CC(84) 38 th Conclusions, Minute 5 – Limited Circulation Annex	22/11/1984
CC(84) 38 th Meeting, item 5	22/11/1984

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 21/1/2014

PREM Records Team

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

House of Commons HANSARD, 26 November 1984, columns 717 to 754: Coal Industry

Signed _____

J. Gray

Date _____

21/1/2014

PREM Records Team

SUBJECT
cc MASTER

MR. TURNBULL

Peter Walker spoke to the Prime Minister yesterday afternoon. They agreed that the TUC document was unacceptable and the Prime Minister instructed that Mr. Walker should spell this out to Mr. Willis and avoid becoming embroiled in detailed discussion. On the forthcoming contacts between the NCB and the NUM, the Prime Minister shared Mr. Walker's apprehension, in particular about the competence of the NCB negotiating team. There was a discussion about future tactics in the dispute and in particular the question of whether the Board should continue to insist on a withdrawal by Mr. Scargill from his current position or whether talks which broke down on Mr. Scargill's intransigence would best serve the purpose of ending the dispute. The Prime Minister took the former view.

Mr. Walker and the Prime Minister also discussed the failure of the NCB to come forward with proposals for the Advisory Body envisaged in the NACOD's agreement.

Following the discussion the Prime Minister instructed me to set out the main points of the conversation in a letter to Michael Reidy. A draft is attached. Before you see the Prime Minister you might like to glance at it and if you wish give me a ring.

TIM FLESHER

20 January 1985

VC2ADF

file 10



10 DOWNING STREET

From the Private Secretary

20 January 1985

This is to record the main points of a telephone conversation between the Prime Minister and your Secretary of State yesterday on the document produced by Mr. Norman Willis and various other aspects of the coal dispute.

On the TUC document, the Prime Minister said that she agreed with the detailed comments made by your Secretary of State on the individual sections of the proposals. More generally, however, she felt that the proposals were in toto unacceptable and that Mr. Willis should be under no illusions as to the Government's attitude towards them. In conveying his comments to Mr. Willis therefore your Secretary of State should inform him that the TUC proposals failed to meet a number of fundamental tests. Your Secretary of State undertook to consider how best this might be conveyed to Mr. Willis and to let the Prime Minister know the language he proposed to use. This language could also form the basis of the Government's position to be made public at the time at which the TUC's document became known.

On the subject of the imminent contacts between the NCB and the NUM, the Prime Minister said that she shared your Secretary of State's apprehension about the likely outcome. Her view was that there was no purpose in further negotiations unless the President of the NUM withdrew from his position on the closure of uneconomic pits; accepted that the Colliery Review procedure as amended under the NACODS agreement should operate immediately after a return to work; and that the final decision on pit closures should rest with the National Coal Board. To enter talks on a less clear understanding might well jeopardise the return to work which was continuing steadily, undermine the position of the working miners and give rise to the possibility of a less than satisfactory outcome. Your Secretary of State said that he agreed that the position of the NCB was at present extremely strong and that any contacts should take place on the understanding that the NUM had shifted its position. How best that strong position might be exploited over the next few weeks would need to be interpreted in the light of developments.

Your Secretary of State said that he was somewhat concerned that the NCB had not yet come forward with proposals for the Closure Advisory Body envisaged in the

NACODS agreement. The absence of firm proposals from the Board could well be exploited by NUM negotiators to produce an effective moratorium on pit closures following a return to work. It would be difficult for the Board to go ahead with closures, whatever the outcome of the dispute, if the Review Procedure envisaged in the NACOD's agreement had not yet been finalised. The Prime Minister said that she fully agreed with your Secretary of State. He should put further pressure on the Board to produce proposals in the very near future.

I should be grateful if you would treat this letter as personal to your Secretary of State and yourself and allow no copies of it to be made.

TIM FLESHER

Michael Reidy, Esq.,
Department of Energy.

SECRET AND PERSONAL

PRIME MINISTER

Here is the text of the TUC document with Mr. Walker's comments (Flag A) which he proposes to give to Mr. Willis tomorrow. He has consult^{ed} Ian MacGregor who has no further comments of his own, except that he would prefer that the TUC did not do anything (but Mr. Willis ^{has} points out we cannot stop them). Mr. Walker emphasises that he would give these comments to Willis on a private and "take it or leave it" basis but does not want to get into a line by line negotiation which would involve the Government too much. Mr. Walker will await a telephone call from you with your reactions.

Mr. Walker also wanted you to know that, in response to press reports about problems at power stations, he has put out a press statement this morning saying that the CEGB have informed him that they have met peak loads on three successive days and have reaffirmed that they see no prospect of power cuts at present levels of production this year. Indeed, even if the present terrible weather continued until mid-April they would still have very substantial stocks of coal.

19 January 1985

ROBIN BUTLER

PS: Following my telephone conversation with you; I think the real point is that Peter Walker must not allow himself to be manoeuvred into a position in which he is morally committed to welcoming, or not condemning, an unsatisfactory TUC statement.

SECRET AND PERSONAL

DRAFT TUC STATEMENT

New Agenda for Coal

- 1) It is now time given all the changes and circumstances including the effects of the current lengthy
(1) dispute for all parties concerned to concentrate attention on the future of the industry against which any return
(2) to normal relationships are to take place.

- 2) Parties to the dispute have already been prepared to agree that with a view to establishing a developing and expanding coal industry equipped to meet future energy requirements they will jointly discuss the Plan for Coal and any proposed revision.

- 3) The elements below will constitute the basis for a return
(3) to work and to safeguard the industries' future:-
 - i) The NCB's proposals for 6 March are no longer applicable to the present circumstances.
(4) *Unacceptable*

 - ii) The following five pits [usual 5 pits] will stay in operation. Proposals relating to the future of collieries will be dealt with through the modified Colliery Review Procedure and its relationship to Plan for Coal as referred to in paragraph 4 below. Any new objection for areas formulated by the NCB will
(5) be discussed with the NUM and other mining unions.

 - iii)

Copy

iii) The existing Colliery Review Procedure has the objective of reviewing the performance and future of all pits with representatives of unions.

(6) The parties accept the need to modify the procedure. The modification will introduce an independent body at a further stage after national

(7) appeal stage to consider references from any of the parties to the procedure where there continues to be a disagreement. After return to work

(8) there will be urgent talks about the constitution, membership and role of the independent body with a view to its establishment by the date referred to in paragraph 4 below.

Amazony

6 mths

4) Talks should commence urgently after return to work on Plan for Coal and any proposed revision. It is acceptable by the parties that many of the targets for Plan for Coal for reasons outside the control of the NCB and those working within the mining industry are no longer applicable. Parties should agree before return to work on a target date, say 6 months, by which this Plan should be produced. The parties should be ready to hear the views of the TUC and other interested parties on Plan for Coal.

(10)

5) Discussion about Plan for Coal could include the following:-

Markets and Output Prospects

How more coal can be sold.

New uses for coal e.g. liquefaction

Joint NCB union marketing teams.

(11)

Relationship to national energy needs.

(12)

Care and maintenance of pits with workable resources.
Investment.

Productivity.

NCB accounting system.

Employment and Community Strategy

(13)

Where pits are closed for any reason measures are needed to mobilise local authorities, industry, MSC, etc., to develop new jobs.

(14)

Increase central government resources

Voluntary redundancy and early retirement terms

(15)

Reduced working time.

Transfer and relocation of allowances.

Retraining.



10 DOWNING STREET

Prime Minister

Mr Kinnoch's letter has been
circulated to members of MISC
101. Mr Walker is considering
how best to reply. After
discussion at MISC 101,
a letter can be drafted, to
be sent on Monday evening
or Tuesday morning. We
will certainly need a line
by Question Time.

AT

18/11

Mr. Walker is first for
Questions on Monday,

FEBB

cc.
Lord Pres Min.w.Port
HO CO
HMT
MOD
SO
DTI
D/M
D/Transport



File

10 DOWNING STREET

From the Private Secretary

18 January, 1985.

Jean Michael,

I enclose a copy of a letter from Mr. Kinnock proposing a review of energy policy in the context of the coal dispute. It may be convenient to discuss the response to Mr. Kinnock's letter at the meeting of Misc 101 on Monday afternoon.

I am sending copies of this letter and its enclosure to the Private Secretaries to members of Misc 101 and to Richard Hatfield (Cabinet Office).

*Y
hu ever*

Tim Flesher

Timothy Flesher

Michael Reidy, Esq.,
Department of Energy.



10 DOWNING STREET

From the Private Secretary

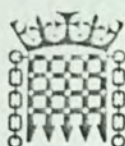
18 January, 1985.

The Prime Minister has asked me to thank you for your letter to her of 18 January.

This is receiving attention, and a reply will be sent to you as soon as possible.

Timothy Flesher

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



HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the Leader of
the Opposition

January 18th 1985

Dear Annie Munster,

You will know that the present situation of Britain's energy industries - the continuation of the coal dispute, the pressures on oil prices, the continuing public debate on the future of nuclear energy policy, and the knowledge that 1985 is expected to be the peak year for British oil production - has produced many demands for a public review of energy policies.

The need for such an assessment has been clear for some time - I called for such a review as long ago as September 1983 - but obviously the current state of the oil and coal industries makes the establishment of an Energy Enquiry a matter of fresh urgency.

This year, Britain will reach the peak of North Sea oil production. You yourself promised in 1978 that your Government would invest North Sea oil revenues in British industry. Instead of that, however, oil revenues - £10,000 million in 1984 alone - have been used to meet the costs of unemployment and to cushion the rapidly rising deficit on our trade in manufactured goods.

Secondly, both the oil and coal industries are directly affected by the sterling crisis. The cost of imported coal and oil has substantially increased as the value of the £ has fallen, and the value of Britain's coal and the price of our coal exports have risen. Both factors require a review of your Government's pit closure programme. At the same time, the fall in sterling will increase the dollar revenues from North Sea oil - revenues which can and should be used on urgently needed capital investment.

Thirdly, as you will be aware, the investment programme agreed in 1974 as part of the Plan for Coal, which was reaffirmed by your Government in 1981, will come to an end with this financial year. A new framework for the development of the industry should be negotiated as a matter of urgency.

2.

18th January 1985

The Rt Hon Margaret Thatcher MP

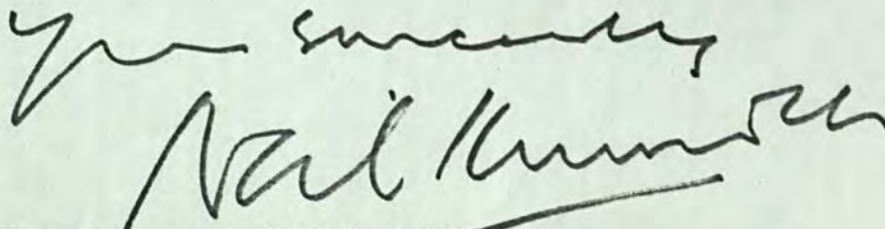
Fourthly, you have, I know, received the submissions of the Council of Churches for Wales. In their efforts to propose a constructive course for ending the coal dispute, the Council members have suggested the setting up of an independent review body which would seek to examine the future of the coal industry within a broader energy policy. There is widespread support for such a proposal, and I hope that you will give it the most serious consideration.

Finally, you must be aware that the 1983 national "Breadline Britain" survey showed that in this energy-rich country, three-quarters of a million people lived in families who cannot afford to heat their homes adequately. In the same year, seven per cent of the population faced serious electricity debts, and five per cent serious gas debts. The current policy of deliberately increasing electricity and gas prices beyond the cost of living generally will have increased the numbers suffering from fuel poverty, and that is obviously a matter of particular concern now in the depths of winter.

I am therefore writing to urge you to establish an independent enquiry into Britain's present and future energy resources, our industrial and domestic energy needs and the most efficient and effective means of developing our resources to meet our needs.

The enquiry which I seek should be public and it should be proceeded with as speedily as possible. It should take evidence from the widest possible range of organisations and individuals and consider the most effective way of using North Sea oil revenues - even at this late stage - for the modernisation of our industry. Such an enquiry could of course provide the basis not only for the future development of the coal industry, but also for a national Plan for Energy which can underpin Britain's future growth.

An energy review along these lines would clearly serve the national interest. I hope, therefore, that you will respond positively to myself and others who are urging such a course of action.

A handwritten signature in dark ink, appearing to read "Neil Kinnock". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

The Rt Hon Margaret Thatcher MP

69

Daily Coal Report - Friday 18 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	25
(iii) Some men present	75
(iv) On strike/picketed out	27

Excellent for a Friday.

218 new faces reported today, bringing the week's total to 2,870 (third highest weekly total), the 1985 total to 5,947 and the total returns since the start of the strike to 28,695.

Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	3,401	+ 481
North East	(24 hr attendance)	4,446	+ 656
Yorkshire	(24 hr attendance)	4,208	+ 617
North Derbyshire	(24 hr attendance)	5,909	+ 299
Western	(24 hr attendance)	11,432	+ 142
South Wales	(morning shift)	109	- 57*
Kent	(morning shift)	117	- 3*

* attendances adversely affected by bad weather.

Coal Movements

Yesterday's rail strike failed to achieve the scale of disruption to coal movements that union leaders must have hoped for. 167,000 tonnes were moved. 27 coal trains ran of which 21 went to power stations. These included 14 trains from the Coalville depot and 3 from Shirebrook - both at the centre of the dispute with BR.

Law and Order

Although mass picketing on the scale seen throughout much of 1984 seems, temporarily at any rate, to be a thing of the past there are still regular reports of skirmishing in many areas. In Yorkshire four men, one believed to be a local NUM official, were arrested on picket lines at the NCB Carcroft workshops. Another NUM official was said to have been outside Dinnington colliery on a public order offence.

NUM

The threat of a breakaway movement is now clearly worrying the NUM leadership, as the tone of Scargill's speech at Ashington shows. Meanwhile there are stories circulating in the coalfields that the Nottingham plan, if it goes ahead, may be followed in a number of other moderate areas.

However the Nottingham NUM executive called off today's intended meeting at Mansfield. The acting general secretary was reported as saying there was no need for a meeting today, as one was already scheduled for next Wednesday.

CEGB

The CEGB, who have met a succession of record demands for electricity in recent days, repeated again tonight that they remain confident there will be no power cuts this year due to a fuel shortage.

Line to Take

The return to work is gathering pace again. The sad evidence is that ordinary miners now realise how badly they have been misled

by Mr Scargill and his militant colleagues. They can cut their losses now by returning to work and accepting the Coal Board's offer, which is the best offer available in the history of the industry 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



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SECRET

P.01474

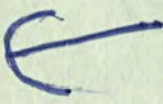
PRIME MINISTER

MISC 101(85)3rd Meeting: Coal

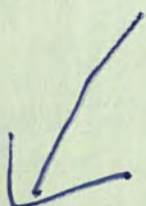
You will wish to invite reports from:

i. the Secretary of State for Energy on:

- the number of pits and miners working
(it will be particularly interesting to hear about Ashington where there was a decision to go back to work if talks had not resumed by 21 January but where Mr Scargill made a special visit at the end of the week);
- movements of coal and oil
(despite the strike it appears that 27 coal trains moved last Thursday including 21 to Midland power stations, only a few less than the normal recent daily average; it would be useful to hear more about the possible blacking of lighting-up oil in the large Yorkshire power stations; it seems however that support by power station workers for Mr Scargill at Didcot and elsewhere has continued to decline);
- the latest moves by other sections in the NUM (Leicestershire and the clerks (COSA)) to support Nottinghamshire in breaking away from the NUM nationally;
- the tactics to be used by the NCB if the NUM takes a more constructive attitude to talks following its National Executive meeting on Thursday 24 January;
- the NCB's thinking about the composition and operation of the new Colliery Review Advisory Body (before Christmas Mr Walker promised to have something to say about this by early January).



NCB should play hard to get while return to work is going well, and should insist that any approach from the NUM should be in writing.





SECRET

- ii. The Home Secretary on:
 - law and order
(there were some signs at the end of the week of isolated attempts to renew violence, notably in Wales and South Yorkshire).

- iii. The Secretary of State for Transport on:
 - BR's handling of the rail unions
(an assessment of last Thursday's industrial action; BR's position on taking the unions to court; and the chances of further industrial action in the future).

- iv. The Attorney General on:
 - the latest developments on the civil actions
(in particular, has the Receiver yet managed to take control of the £5.2 million in Luxembourg?).

Next meeting

2. There will be an opportunity for a further discussion under the Industrial Affairs item at Cabinet on Thursday 24 January. The next meeting of MISC 101 will be at 4.15pm on Monday 28 January when we shall be putting on the agenda a paper by officials, which has just been circulated, containing the information about financial assistance given to the NUM by local authorities (MISC 101(85)1); the Secretaries of State for the Environment and for Wales have been invited to attend that meeting.

PLG

P L GREGSON

18 January 1985

Mufaxed to Chequers
67A. @ 2200 hrs
18/1/85

PRIME MINISTER

MINERS' STRIKE

Peter Walker telephoned about four matters on which he would like to talk to you over the weekend:-

(1) Heathfield and Windsor of the NUM are secretly and privately - but with Scargill's knowledge - going to discuss with two NCB officials on Monday what the NUM would be prepared to offer for the agenda of talks with the NCB if such talks were to take place. This stems from the meeting of the Coal Industry Benevolent Fund, which NUM officials attended on Wednesday. They made approaches about talks in the margins of that meeting and the NCB repeated that they would only be able to have talks if the NUM made clear that they had changed their position about the closure of pits on economic grounds. These secret talks are to test whether the NUM are now prepared to make such a shift.

(2) Norman Willis went to see Peter Walker very privately today, carrying a piece of paper which he proposes to put to the TUC Finance and General Committee on Monday, as a basis of a public statement by the TUC about the strike. Norman Willis showed this to Peter Walker on the basis that the TUC would like to produce a statement to which, of course, the Government would be in no way committed but which they would not reject out of hand - something to which the Government could make the sort of response that the TUC appeared to be trying to be constructive and that it was to be hoped that the NUM would do the same. Peter Walker has promised to telephone the precise text of this document tomorrow morning, and we will relay it to you at Chequers. You can then discuss it with Peter Walker, who has promised to give Norman Willis his comments on Sunday.

Peter Walker says that the paper stipulates:

(a) The five pits should remain in operation, but normal review procedures should apply. This appears to be acceptable, although Peter Walker said that there could be some improvement in punctuation to make quite clear that the review procedure would apply to these pits.

(b) When the return to work occurred, it would be on the basis that the NCB and NUM should aim to agree over six months on the future of the industry, taking account of a list of factors. Peter Walker said that this list of factors appeared to be satisfactory and included things like productivity and the state of the market. But there was a sentence which could be read as meaning that the normal closure procedure as modified by NACODs would not apply until the new plan had been agreed, and Peter Walker had made clear to Willis that this would be totally unacceptable. Willis appeared to accept this point and be willing to amend the document. Willis also told Peter Walker that he had had a private discussion with Scargill this week and had told him that he must face facts and that the longer the strike now went on the less chance he would have of holding the NUM together. The disintegration of the NUM also presents great potential problems to the TUC, e.g. if the breakaway areas asked to be affiliated to the TUC.

(3) Peter Walker also wants to have a word with you about a suggestion from John Biffen and John Cope that there should be a debate on the strike in Government time. John Biffen and John Cope argue that Government backbenchers think that the Government would be on a marvellous wicket and that the Opposition would be embarrassed by such an offer; but Peter Walker is opposed to it, believing that it would simply get the Opposition out of the embarrassment caused by the

pressure of their Left-wingers. It would also represent a retreat from John Biffen's statement during Business Questions that there was no question of a debate in Government time, and might well be seen as undermining the Speaker's authority.

(4) Peter Walker would also like to have a word with you about the Kinnock letter, since he is first for Questions on Monday. He feels strongly that the idea of an independent inquiry should be rejected and I told him that this was certainly your view.

Comment

On the first point above - the secret talks between the NCB and the NUM - Andrew had a message from David Hart who was concerned that this might be an attempt by the NUM to get in before Ned Smith retires in two weeks' time. David Hart also reported that Michael ~~at~~on was insisting that any indication by the NUM of a shift in their position on uneconomic pits should be put in writing - and this seems good advice.

As regards (b), Peter Walker's position that the normal closure procedure, as modified in the NACODs agreement, must apply from the first day when the miners return to work, seems absolutely right.

Peter Walker is at home tonight and tomorrow, but you may wish to wait until you have seen the TUC document before telephoning him.

F.R.B.

18 January 1985

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SECRET AND PERSONAL

1) sum - a.
2) Hunt

N.C.B.

NUM

1-3

① Answer for center

⑧

Pkt

③

Ind. Admin. Body

④

- ① Review procedure for Day 1
- ② NCS final decision

13

1

Peter Walker says that the paper stipulates:

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R.R.B.

18 January 1985

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

18 January, 1985

FERB
AT *or* *FERB*
NEPM
CDP *10/1*

Dear Charles,

Afghan Aid for British Miners

Following my letter of 10 January about the action we proposed to take to prevent the Afghan Charge from personally handing over a cheque to the NUM, you may wish to have an account of what actually happened on 11 January when the Afghan cheque was presented to the NUM. I gave you a preliminary account by telephone that evening.

Reliable press contacts have told us that a cheque for £10,000 (as well as the promise of a gift of a substantial quantity of dried fruit, said to be 10,000 tonnes (sic)) was given to a member of the Yorkshire NUM by a Mr Mohammed Arif, a leading member of the Friends of Afghanistan Association. The donation was purportedly from Afghan Trade Unionists. Mr Ron Brown MP and Mr Bob Parry MP were present at the ceremony. The former complained that "FCO pressure" had prevented the Afghan Charge from attending. None of our press contacts spotted the presence at the ceremony of any member of the Afghan (or any other) Embassy. The tenor of Mr Brown's comment and the fact that no member of the Afghan Embassy seems to have been on the podium suggests that the warning given to the Afghan Charge on 10 January achieved its objective.

I am copying this to Richard Hatfield (Cabinet Office) and Michael Reidy (Dept of Energy).

For me,

(P F Ricketts)
Private Secretary

Peter Ricketts

C D Powell Esq
10 Downing Street

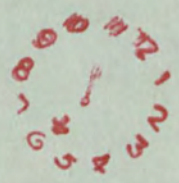
CONFIDENTIAL

Coal

Postamt
Ludwigshafen



118 JAN 1985



File

67A

Daily Coal Report - Thursday 17 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	25
(iii) Some men present	75
(iv) On strike/picketed out	27

Ireland (North Derby) has started producing coal and has moved into category (ii). Abertilly (South Wales) has moved from category (iv) to (iii).

By this afternoon's shift, 255 new faces had reported bringing the total for the week to 2,587.

Area attendances were as follows:-

			<u>Change on</u> <u>yesterday</u>
Scotland	(24 hr attendance)	3,377	+ 17
North East	(24 hr attendance)	4,684	+ 17
Yorkshire	(24 hr attendance)	4,149	+ 68
North Derbyshire	(24 hr attendance)	6,128	+ 44
Western	(24 hr attendance)	11,442	+ 23
South Wales	(morning shift)	260	+ 26
Kent	(morning shift)	135	+ 11*

* Change on Monday

Coal Movements

178,000 tonnes were moved yesterday. Movements today have been affected by the rail strike and the weather - though the Coal Board hope they will be able to make up some of the lost movements over the next few days.

34 coal trains ran yesterday, including 28 to power stations.

Law and Order

Generally quiet.

NUM

Scargill has today been talking of his hopes of winning support from Yorkshire power station workers. However, the CEGB have reported that, so far at any rate, there is little to substantiate his claim. Difficulty in getting further oil and coal into Yorkshire power stations would not by itself jeopardise power station endurance.

More than 300 delegates from 31 pit branches in Nottinghamshire met today for a briefing on recent events. An area executive meeting tomorrow is reportedly to draw up contingency plans for a breakaway union in advance of the area's likely expulsion from the NUM.

High Court

Mr Justice Nichols today adjourned until Tuesday an application by working Yorkshire miners to ban mass picketing organised by the NUM. On Tuesday the judge will hear a similar application by a number of South Wales miners.

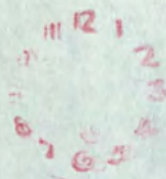
Line to Take

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 6070

17 JAN 1985



*rest Misc 101 folder**67*

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

h January 1985

Dear Madam

POWER STATION ENDURANCE

I attach the latest weekly report.

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

*Yours sincerely
M F Reidy*

M F REIDY
Private Secretary

17 JAN 1985

10 11 12 1 2 3 4
5 6 7 8 9





POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week amounted to 0.69mt (including non-NCB sources). Coal burn was 0.99mt and stocks fell by 0.30mt. The Board's stocks on Sunday night (13 January) were 13.03mt with a further 0.67mt at Scottish power stations.

2 Total NCB deliveries last week were estimated to amount to some 0.92mt of which about 0.27mt went to customers other than power stations.

3 The average rate of deliveries to CEGB power stations over the whole period of the strike has been 0.52mt. The average over the past eight weeks has been 0.58mt, but this period includes Christmas and New Year holidays when deliveries are traditionally low.

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

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	mid April	early July
0.40	early May	mid November
0.45	-	Winter 1985/6

Department of Energy

16 January 1985

SECRET



66

10 DOWNING STREET

From the Principal Private Secretary

MR HATFIELD

May I raise a general point on the reports which we receive from your office on events surrounding the coal miners' strike.

When the Prime Minister asks for specific action to be taken, I will of course continue to convey this to you. But it would be reassuring to know somebody is charged with taking action when the contents of the report appear to call for this. The situation report of 15 January - (Box 500) POLF299-24/SB(844)/F2N/1 - is an example of a report on which consideration of some action appears to be called for, for example, in connection with the efforts of the sequestrator. Can you please reassure the Prime Minister that, in the absence of action by us, these reports do not simply lie unpursued?

Returned to RTA

BT

[Handwritten signature]

16 January 1985

SECRET

FOR: NICK TOWERS for file ground

COAL INDUSTRY DISPUTE - EARLY REPORT FOR: 16 JANUARY

Pit categories:

	Number	
(i) working normally:	47	276 new faces so far
(ii) turning some coal:	24	
(iii) some men present:	75	
(iv) strike/picketed out:	28	

Comments on any changes:

Bedwas (S. Wales) has been promoted to category (iii)

Other News: NOT FOR PUBLICATION

SCOTLAND: 63 New Faces: Bilston Glen 1046, Harkton Hall 404, Killoch 528, Barony 190
Seafield 81, Polkemmet 310, Frances 30, Castlehill 19, Longmuir 11, Salsburgh 7

NORTH EAST: 2 New Faces so far.

N. YORKS: 37 New Faces: Ackton Hall 15, Allerton Dywater 54, Fryston 9, Glasshoughton 22
Kellingley 242, Ledston Luella 25, Nostell 13, Prince of Wales 30, Sarke 36
Shearston 24, Wheldale 10, Wislow 225, Gascoigne Wood 81, Rillcote 107, Shillingleaf
Whitemoor 6, N. Selby 6

DONCASTER: 8 New Faces: Askern 11, Bentley 41, Brodsworth 47, Frickley 2, Goldthorpe 2
Hatfield 6, Markham 20, Rossington 36, Yorks Main 24, Hixleton 3

BARNSELY: 8 New Faces: Barrow 23, Bullcliffe Wood 28, Darfield 4, Denby Grange 243
Dodworth 23, Emley Moor 88, Ferry Moor 7, Grimethorpe 4, Haughton 18

N. GAWBER 6, Pate Mill 29, S. Kirby 12, Woodley 27, Royston 4, Kinsley 2, Deane Valley

S. YORKS: 34 New Faces: Barnburgh 13, Brodhouse 115, Cadaby 4, Costonwood 15
Dinnington 129, Kiveton Park 164, Maltby 46, Manvers 51, Silverwood 28, Thurcroft 99
Treeton 42, Wath 9, Manton 453, Shireoaks 407, Kiltonhurst 4

N. DERBYS: 64 New Faces: Arkwright 231, Bolover 370, High Moor 66, Inland 160, Harkham 75
Renshaw Park 162, Shirebrook 756, Warsop 460, Whitwell 221

S. WALES: 23 new faces: Cynheidre 103, Celynen Sth 38, Celynen N. 6, Marine 26
Abernant 10, Aantgarw 15, Bedwas 8, Cwm 5, Merthyr Vale 2, Gbello 15, Murkham

KEAT PITS CLOSED AGAIN



65
16th

Ref. A085/153

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

You will wish to invite reports from:

i. the Secretary of State for Energy on:

✓ the number of pits and miners working;

✓ coal movements;

✓ the split in the NUM as a result of developments in Nottinghamshire and South Derbyshire;

✓ the outcome of the NACODS Delegate Conference on Wednesday 16 January. + increasing belligerence of NACODS rhetoric and their walk-out from the Consultative Council meeting.

ii. the Home Secretary on:

law and order;

the European Parliament's decision to set up an inquiry into police activity during the miners' strike. Home Secretary is proposing that police provide no facilities for the walking

iii. the Secretary of State for Transport on the 24-hour industrial action by the rail unions (unless called off).

iv. the Secretary of State for Employment on any moves by the TUC to promote a resumption of negotiations.

v. the Attorney General on any important new developments in the courts.

SECRET



Next Meeting

2. The next meeting of MISC 101 is at 4.30 pm on Monday
21 January.

RA

ROBERT ARMSTRONG

16 January 1985

CONQUEROR



CABINET OFFICE

ANDREW TURNBULL

With the compliments of

A large, hand-drawn 'X' mark in dark ink, consisting of two intersecting diagonal lines, is positioned to the left of the recipient's name.

P L GREGSON
Deputy Secretary

22.1.85

70 Whitehall, London SW1A 2AS

Telephone 01 233 8339

Coal file

*European Parliament
The Vice-President*

From The Baroness Elles, MEP



Strasbourg, January 16, 1985

Dear Peter

Please find attached a note on the Huckfield resolution on trade unions, and its consequences.

I had notified Malcolm Rifkind's office on Friday, 11th January, that there could be some trouble arising out of this resolution, and thought it might be helpful to you to have some background from here.

The Rt. Hon. Peter Walker, MP,
Department of Energy
Whitehall
London SW1

c.c. Malcolm Rifkind, MP, Foreign & Commonwealth Office
Sir Henry Plumb, MEP.

European Parliament
The Vice-President

From the Baroness Elles, MEP

Strasbourg, January 16, 1985

NOTE

Enlarged

On Thursday, January 10th, in the ~~Enlarged~~ Bureau, the President agreed to the setting up of a "Committee of enquiry to investigate repressive acts against trade unions in dispute".

Procedure

Under Rule 95 of the European Parliament (EP) Rules of Procedure, if a quarter of the members of the Parliament (109) request the setting up of a Committee of enquiry, the President has the sole right to decide whether the request should be acceded to. The only limitation is that the matter "must fall within the sphere of activities of the Communities".

Although President Pflimlin has said that he dislikes the rule, he has not managed to avoid allowing the setting up of this Committee, as well as, in answer to an earlier request, one on facism and racism.

He has however imposed conditions: a final report must be submitted by June 30th, 1985: the Committee shall only meet in one of the working places of the Parliament (that is, Brussels or Strasbourg): the Committee shall consist of 8 members, one from each political group.

Consequences

Huckfield has said he will be the representative from the Socialist group. It is worth recalling that of the eight political groups, Socialist, EPP⁺, EDG⁺, Communist, Gaullist⁺, European Right (Le Pen), Rainbow (German Greens etc), five are centre, centre right. No one has so far been appointed to represent any of the groups marked ⁺, and it may well be that it will take some time for any member to agree to serve on this Committee.

As names of representatives have to be submitted to the Bureau of the Parliament, until that happens, the Committee cannot be formally established.

Should it be established, the result must be to show that violence has come from the picket lines, many miners have been threatened by strikers, that the police have had an almost impossible task in protecting the rights of all citizens including those trade unionists exercising their right to work.

continued.....

European Parliament
The Vice-President

- 2 -

It has also been repeatedly stated that if there should have been any violation of rights then the House of Commons, and the British Courts are the proper fora for such complaints - not the European Parliament which Huckfield spends his time deriding.

Miriam Allen

Copies of Documents attached:

- A. Rule 95 of Rules of Procedure
- B. Extract of draft minutes of Enlarged Bureau, 10th January, 1985
- C. Text of Huckfield's resolution

At the request of one quarter of its current Members, Parliament shall automatically set up a committee of inquiry; such a request need not be put to the vote in the House.

The President shall decide whether a request to set up a committee of inquiry meets the conditions set out in paragraph 1. The request shall contain a time-limit before which the committee must deliver to Parliament its Final Report. This time-limit shall not exceed 12 months. The committee may ask for the time-limit to be extended by submitting an Interim Report. A committee of inquiry shall not be entitled to submit a report to Parliament other than an Interim or Final Report on the outcome of the inquiry. Nor shall it be entitled to submit any motion for a resolution to Parliament or to deliver any opinion to another committee.

2. Parliament shall determine the composition of the committee of inquiry on a proposal from the Bureau, subject to the provisions of Rule 92(1), second sentence.

3. The provisions of these Rules of Procedure relating to the committees shall apply to the proceedings of the committee of inquiry and to the powers of its chairman. ✕

Rule 96

1. Parliament shall set up a Committee on the Verification of Credentials for the purpose of preparing decisions on any objections concerning the validity of elections.

2. This committee shall consist of nine Members who shall be elected pursuant to Rule 92.

The Committee on the Verification of Credentials is set up after the election of the President and the Bureau of Parliament pursuant to Rule 92. Until such time as their credentials have been verified, Members take part in the work of Parliament and enjoy full rights pursuant to Rule 6(3) (See also explanatory note on Rule 11(2))

Rule 97

1. Subject to prior authorization by the enlarged Bureau a committee may, in the interest of its work, appoint one or more subcommittees, of which it shall at the same time determine the composition and competence, pursuant to Rule 92. Subcommittees shall report to the committee that set them up.

2. The procedure for subcommittees shall be the same as for committees.

3. Substitutes shall be allowed to sit on subcommittees under the same conditions as on committees.

Committee on the Verification of Credentials

Subcommittees

Rule 98

Committee Bureaus

1. At the first committee meeting after the election of committee members pursuant to Rule 92, the committee shall elect a Bureau consisting of a chairman and one, two or three vice-chairmen.

2. Without prejudice to the second subparagraph of this paragraph, the Bureau shall be elected by secret ballot without discussion. Its election shall require an absolute majority of the votes cast; where, however, a second ballot proves to be necessary, a relative majority shall suffice.

If the number of nominations corresponds to the number of seats to be filled, the candidate or candidates may be declared elected without holding the ballot referred to in the first subparagraph.

Rule 99

Procedure without report
— Simplified procedure

1. At each committee meeting the chairman shall submit to the committee a list of the proposals which in his opinion and/or at the President's recommendation should be approved without report.

The chairman shall put each proposal on the list to the committee for decision. Unless at least three members object, the chairman of the committee shall inform the President of the approval of such a proposal.

2. At the recommendation of the President or following a proposal from its chairman, the committee may deliver an opinion on a proposal in accordance with the simplified procedure.

Unless at least three members object to this procedure, the committee chairman shall be deemed to have been appointed rapporteur. The draft report, consisting of a procedural section, a brief motion for a resolution on an identical model and a brief explanatory statement, shall be sent to the members of the committee. Unless at least three members of the committee object within a set time limit, which may not be less than fourteen days from the date of dispatch, the report shall be considered as having been adopted by the committee. In this case the motion for a resolution contained in the report shall be put to the vote in Parliament without debate pursuant to Rule 34.

3. If at least three members object to the procedure referred to in paragraphs 1 or 2, the procedure provided for in Rule 100 (procedure with report) shall be followed.

CHAPTER XII
COMMITTEES

Rule 91

Setting up of committees

Parliament shall set up standing or temporary, general or special committees, and shall define their powers.

Rule 92

Composition of committees

1. Committee members shall be elected during the first part-session following the re-election of Parliament and again two and a half years thereafter. Nominations shall be addressed to the Bureau of Parliament, which shall submit to Parliament proposals designed to ensure fair representation of Member States and of political views.

When a Member changes political groups he shall retain, for the remainder of his two and a half year term of office, the seats he holds in parliamentary committees. However, if a Member's change of political group has the effect of disturbing the fair representation of political views in a committee, new proposals for the composition of that committee shall be made by the Bureau in accordance with the procedure laid down in paragraph 1, second sentence, whereby the individual rights of the Member concerned shall be guaranteed.

2. Amendments to the proposals of the Bureau shall be admissible only if they are tabled by at least ten Members. Parliament shall vote on such amendments by secret ballot.

3. The Bureau of Parliament may provisionally decide to fill any vacancy on a committee with the agreement of the persons to be appointed and having regard to paragraph 1.

4. Any such changes shall be placed before Parliament for ratification at the next sitting.

Rule 93

Substitutes

1. The political groups may appoint a number of permanent substitutes for each committee equal to the number of full members representing them on the committee. The President of Parliament shall be informed accordingly. These permanent substitutes shall be entitled to attend and speak at committee meetings and, in the event of the absence of the full member, to take part in the vote.

2. In addition, in the absence of the full member and where no permanent substitutes have been appointed or in their absence, the full member of the committee may arrange to be represented at meetings by another member of his political group, who shall be entitled to vote. The name of the substitute shall be notified in advance to the chairman of the committee.

1. Paragraph 2 shall apply, by analogy, to the Non-attached Members.
2. The advance notification provided for in the last sentence of paragraph 2 must be given before the end of the debate or before the opening of the vote on the item or items for which the full member is to be replaced.

Rule 94

Duties of committees

1. Committees shall examine questions referred to them by Parliament or, during an adjournment of the session, by the President on behalf of the Bureau.

2. Should a committee declare itself incompetent to consider a question, or should a conflict arise over the competence of two or more committees, the question of competence shall be placed on Parliament's agenda on a proposal from the Bureau or at the request of one of the committees concerned.

3. Should two or more committees be competent to deal with a question, one committee shall be named as the committee responsible and the others as committees asked for opinions.

A question shall not, however, be referred simultaneously to more than three committees, unless it is decided for sound reasons to depart from this rule under the conditions laid down in paragraph 1.

4. Any two or more committees or subcommittees may jointly consider matters coming within their competence but shall not take a decision.

5. Any committee may, with the agreement of the Bureau of Parliament, instruct one or more of its members to undertake a study or fact-finding mission.

Rule 95

Committees of inquiry

1. Parliament shall, at the request of one quarter of its current Members and without previously referring the request to committee, set up a committee of inquiry to investigate specific matters. The request shall indicate the matter to be investigated, which must fall within the sphere of activities of the Communities.

2. Débat d'investiture de la nouvelle Commission des Communautés européennes

Il est pris acte, après un long échange de vues auquel a participé M. VARFIS, Membre de la Commission, qu'à la suite des démarches du Président auprès des Présidents de la Cour de Justice et de la Commission que l'assermentation devant la Cour de Justice de la nouvelle Commission aura lieu à une date postérieure au débat d'investiture de celle-ci qui se déroulera au Parlement le 15 janvier 1985.

3. Démarches de plusieurs Membres visant la constitution de groupes de travail interparlementaires ainsi qu'un support logistique à y apporter par le Secrétariat Général

Le Bureau élargi confirme sa décision du 16 novembre 1982 selon laquelle il n'y a lieu d'accorder aucune assistance aux réunions des intergroupes de la part du Secrétariat Général du Parlement européen.

Il reste entendu que ces inter-groupes peuvent se réunir à condition de ne pas porter préjudice aux travaux, ni des commissions parlementaires, ni de ceux de la séance plénière et que les groupes politiques puissent leur fournir un support logistique notamment pour ce qui est de l'interprétation.

4. Conférence européenne des délégations des commissions des budgets des parlements des Etats membres

A la suite d'une demande de la commission des budgets, une délégation de celle-ci, composée d'un membre par groupe politique, est autorisée à participer à la première Conférence européenne des délégations des commissions des budgets des parlements des Etats membres, qui se déroulera à l'initiative du président de la commission des budgets de la Chambre des députés de la République italienne, les 21, 22 et 23 février 1985 à Venise. Il est pris acte qu'aucune infrastructure, ni aucune mission de fonctionnaires du Parlement est à prévoir.

5. Constitution de deux commissions d'enquête

Le Bureau élargi prend acte de deux demandes tendant à la constitution de commissions d'enquête, conformément à l'article 95, paragraphe 1, du Règlement, dont l'une sur les actes répressifs dirigés contre les syndicats en lutte et l'autre, sur le problème de la drogue dans les pays de la Communauté, toutes deux déclarées recevables par le Président.

*Enlarged
Draft Minutes, E.C. Commission Bureau.
January 10th, 1985*

Dans ce contexte, le Bureau élargi prend les décisions suivantes :

- la commission d'enquête sur les actes répressifs dirigés contre les syndicats en lutte sera composée d'un membre par groupe politique et déposera son rapport définitif ayant le 30 juin 1985 ;
- la commission d'enquête sur le problème de la drogue dans les pays de la Communauté sera composée de quinze membres et déposera son rapport définitif avant le 30 septembre 1985 ;
- conformément à l'article 95 du Règlement, le Bureau sera saisi des propositions des groupes politiques sur la composition nominative de ces deux commissions d'enquête ;
- le nombre d'auditions par commission d'enquête est limité et il est entendu qu'elles ne pourront pas organiser des déplacements individuels ou collectifs hors des lieux habituels de travail du Parlement.

6. Démarche du Président du Parlement européen auprès des Chefs d'Etats des Etats membres de la Communauté ainsi qu'auprès du Président de la Commission des Communautés européennes à la veille du Sommet de Dublin

Le Bureau élargi prend acte d'une lettre envoyée par Le Président du Parlement européen aux Chefs d'Etats des Etats membres de la Communauté ainsi qu'au Président de la Commission des Communautés européennes, à la veille du Sommet de Dublin, ainsi que des réponses y afférentes de Mme THATCHER et MM. KOHL, MITTERRAND, FITZGERALD et THORN et décide de transmettre ces réponses, pour information, à tous les Membres de l'Assemblée.

7. Visites officielles du Président

Le Bureau élargi prend acte d'un compte rendu de la visite officielle que le Président a effectuée auprès des Autorités italiennes, les 19 et 20 septembre 1984 et de la rencontre qu'il a eue avec le Président MITTERRAND le 9 janvier 1985 à Paris.

Par ailleurs, il est pris acte de l'intention du Président de se rendre en visite officielle, du 22 au 25 janvier prochain, en République Fédérale d'Allemagne, sur invitation du Chancelier KOHL.

The Chairman

Strasbourg, 13 September 1984
RA/GH/HV

Dear Mr President,

More than the requisite 109 Members have signed the proposal to establish a Committee of inquiry, which you will find attached along with the names of the signatories.

I would ask you to implement the proposal as soon as possible pursuant to Rule 95 of the Rules of procedure.

(sgd) R. ARNDT

True copy.
20 20 Jan 1985
(8) [Signature]

Annex

Mr Pierre PFLIMLIN
President
European Parliament
Strasbourg

Motion for a Resolution
according to Article 95 of the Rules of Procedure
tabled by Mr Les Huckfield

On the creation of a committee of enquiry to investigate repressive acts against
trade unions in dispute

- A. having regard to preamble indent 4 and article 3(e) of the ECSC Treaty which provides for the promotion of improved working conditions and an improved standard of living for the workers in each of the industries for which it is responsible,
 - B. with a view to preamble 3rd indent, to article 117 and to 118 of the EEC Treaty,
 - C. noting the system of international convention on labour law which, although not being part of the Community law in a strictly formal sense, forms the common and recognised principles on which the labour law of the European Community and the EC Member States is based,
 - D. in particular in the light of the obligations incumbent on the Member States to guarantee the right of trade unions in dispute to communicate with their members and within their organisation, deriving from articles 3, 8, 10 and 11 of the ILO Convention no. 87 on the Freedom of Association and the protection of the right to organise and to articles 5 and 6 of the European Social Charter,
 - E. having regard to the 1977 Joint Declaration of the European Parliament, the Council and the Commission, which stresses "the prime importance they attach to the fundamental rights as derived in particular from the constitutions of the Member States and the European Convention of Human Rights",
 - F. recognising that in the current miners' dispute in Britain, trade union and labour movement representatives have been arrested without reason, detained for many hours without being charged, restricted under house curfew and within their communities, with their freedom of movement severely impeded through massive police presence and intimidation,
1. Resolves that a Committee of Enquiry should be set up as quickly as possible, and that it should complete its investigations before the end of December 1984
- on any interference into the communication between the trade unions and their members and within their organisations,

- on the prevention without legal basis of the freedom of movement of any British trade unionists within the European Community and the Member States,
 - on the lack of consultation between the National Coal Board as employers and the National Union of Mineworkers representing the workers in the industry in the matter of the proposed closure of collieries;
2. Charges its President to provide for the establishment of the Committee of Enquiry in the immediate future.

SIGNATAIRES

Victor ABEND
 Paraskevas AUGERINOS
 Rudi ARNDT
 Gianni BAGET-BOZZO
 Richard A. BALFE
 Jean BESSE
 Alain BOMBARD
 Jürgen Georg BRINCKMEIER
 Mrs Janey O'Neil BUCHAN
 Mrs Barbara A. CASTLE
 Mme Gisèle CHARZAT
 Kenneth D. COLLINS
 Jean-Pierre COT
 Mrs Christine M. CRAWLEY
 Ejner Hovgård CHRISTIANSEN
 George Robert CRYER
 Mevr. Hedy d'ANCONA
 Pieter DANKERT
 Mario DIDO'
 Mme Raymonde M.E.A. DURY
 Michael N. ELLIOTT
 Louis EYRAUD
 Roger FAJARDIE
 Alexander FALCONER
 Léon FATOUS
 Ludwig FELLERMAIER
 Ove FICH
 James Glyn FORD
 Bruno FRIEDRICH
 Mme Yvette M. FULIET
 Mme Colette GADIOUX
 Max GALLO
 Fritz GAUTIER
 Emmanouil GLEZOS
 Ernest GLINNE
 Fru Eva GREDAL
 Win (Winston James) GRIFFITHS
 Klaus HÄNSCH
 Michael J. HINDLEY
 Frau Magdalene HOFF
 Geoffrey W. HOON
 Leslie J. HUCKFIELD
 Stephen HUGHES
 John HUME
 Jan KLINKENBORG
 Rolf LINKOHR
 Mme Anne-Marie A. LIZIN
 Alfred LOMAS
 Charles-Emile LOO
 Finn LYNGE
 Michael McGOWAN
 Hugh R. McMAHON
 David W. MARTIN

Vincenzo MATTINA
 Georgios MAVROS
 Thomas MEGAHY
 Alman METTEN
 David MORRIS
 Arthur Stanley NEWENS
 Edward NEWMAN
 Ka Konstantina PANTAZI
 Christos PAPOUTSIS
 Jiri PELIKAN
 Mme NICOLE PERY
 Johannes Wilhelm PETERS
 Terence J. PITT
 Spyridon PLASKOVITIS
 Ms. Joyce G. QUIN
 Mario RIGO
 Dieter ROGALLA
 Georgios ROMEOS
 Frau Mechtild ROTHE
 Willi ROTHLEY
 Jannis SAKELLARIOU
 Dieter P.A. SCHINZEL
 Gerhard SCHIMD
 Mme Lydie SCHMIT
 Heinz SCHREIBER
 Barry H. SEAL
 Horst SEEFELD
 Hans-Joachim SEELER
 Frau SEIBEL-EMMERLING
 Frau Barbara SIMONS
 Liewellyn T. SMITH
 George W. STEVENOSN
 Kenneth A. STEWART
 Georges SUTRA DE GERMA
 Carlo TOGNOLI
 John E. TOMLINSON
 Ms. Carole TONGUE
 Gunter TOPMANN
 Mevr. Ien van den HEUVEL
 Mevr. Marijke J.H. VAN HEMELDONCK
 Grigorios VARFIS
 Mme Marie-Claude VAYSSADE
 Willy VERNIMMEN
 Heinz Oskar VETTER
 Nikolaos VGENOPOULOS
 Mevr. P. (Phili) J. VIEHOFF
 Benjamin VISSER
 Kurt VITTINGHOFF
 Thomas von der VRING
 Manfred W. WAGNER
 Gerd WALTER
 Frau Beate WEBER
 Norman WEST

Klaus H.W. WETTIG
Frau Heidemarie WIECZOREK-ZEUL
Eisso P. WOLTJER
Mario ZAGARI

Frank SCHWALBA-HOTH
Frau Dorothee PIERMONT
Friedrich Wilhelm GRAEFE ZU BARINGDORF
Bram van der LEK
H. VERBEEK
Frau Brigitte HEINRICH
Frau Undine-Uta BLOCH von BLOTTNITZ
Sig.ra Luciana CASTELLINA
François M.G.A.Ch.F. ROELANTS du VIVIER
Benedikt HÄRLIN
Paul M.J. STAES
Willy H.G.J.M. KUIJPERS
Jaak H. VANDEMEULEBROUCKE

Aldo BONACCINI
Sig.ra Maria Lisa CINCIARI RODANO
Giovanni CERVETTI (au nom du Groupe Communiste et apparentés)

22 JAN 1968

12 1 2 3 4 5
6 7 8 9 10 11

/ 64

Daily Coal Report - Wednesday 16 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	75
(iv) On strike/picketed out	28

8 men reported at Bedwas in South Wales this morning so this pit has now moved into the "some men present" category.

368 new faces reported today. This compares with 305 last Wednesday. This week's total so far is now 2,317 new faces, and the 1985 figure is 5,394.

Western area had an average attendance of 81 per cent in the last 24 hour period, a record since the dispute started.

			<u>Change on</u> <u>yesterday</u>
Scotland	(24 hr attendance)	3,320	+ 63
North East	(24 hr attendance)	4,667	+ 100
Yorkshire	(24 hr attendance)	4,081	+ 40
North Derbyshire	(24 hr attendance)	6,084	+ 126
Western	(24 hr attendance)	11,419	+ 430
South Wales	(morning shift)	234	+ 20

Coal Movements

Just under 180,000 tonnes were moved yesterday. This is a small reduction on last week.

34 coal trains ran.

SECRET AND PERSONAL

The rail unions are still meeting to consider their threatened strike tomorrow. Although at most patchy support is expected, train movements tomorrow may well be chaotic. - see attached report

Law and Order

Although incidents of intimidation and vandalism continue, no serious trouble has been reported.

800 pickets gathered at Killoch colliery in Scotland yesterday lunchtime; 12 were arrested and two policemen injured.

Coal Industry Social Welfare Organisation

As foreshadowed in yesterday's report, Messrs Scargill, MacGahey and Heathfield attended this meeting today. Afterwards they explained that they had only discussed welfare issues, but added that the NUM was always available for talks.

High Court Reinstatement of Henry Richardson

Mr Henry Richardson, who was suspended as Nottinghamshire's NUM general secretary on Saturday, has now won a High Court injunction to reinstate him, but see attached report on subsequent developments.

Line to Take

More and more miners are recognising the futility of continuing Scargill's strike. Over 5,000 have already resumed work this year.

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

Enquiries: John Neilson, SOS/for Energy's office (01-211 6070)

SECRET AND PERSONAL

NI3678 3 XXX 240

RAIL STRIKE CHAOS THREATENED

TOMORROW'S TRAIN STRIKE IS TO GO AHEAD IN THE FACE OF BRITISH RAIL WARNINGS THAT IT MAY SUE THE TWO RAIL UNIONS FOR DAMAGES.

SHORTLY AFTER BR ISSUED A THREAT TO CONSIDER USING GOVERNMENT LEGISLATION TO CLAIM COMPENSATION FOR LOST BUSINESS, UNION LEADERS ANNOUNCED THAT THE STRIKE WAS ON.

BR DENIED ITS MOVE WAS PROVOCATIVE IN VIEW OF THE FACT THAT THE UNIONS, WHO HAD BEEN WIDELY EXPECTED TO CALL OFF THE THREATENED ACTION, WERE STILL IN THE MIDDLE OF A MEETING.

THE STRIKE, BY 5,000 MIDLANDS RAILMEN, IN PROTEST AGAINST 'VICTIMISATION AND HARASSMENT' OVER THEIR SUPPORT ACTION FOR THE MINERS, WILL HIT INTER CITY AND LOCAL SERVICES ON THE EASTERN AND LONDON MIDLAND LINES.

RAIL UNION LEADERS SAID LATER THAT BR'S THREAT OF LEGAL ACTION COULD PROVOKE FURTHER, UNOFFICIAL STRIKES TOMORROW AT LONDON MAINLINE TERMINI.

ASLEF GENERAL SECRETARY RAY BUCKTON SAID 'IT IS GOING TO PROVOKE STRONG FEELING AND MAKE IT WORSE'.

NUR'S JIMMY KNAPP DESCRIBED THE THREAT TO SUE AS THE 'HEIGHT OF FOLLY, PROVOCATIVE AND DISCOURTEOUS'.

BRITISH RAIL'S SURPRISE STATEMENT THAT 'THE BOARD WOULD BE COLLECTING EVIDENCE OF LOSS OF BUSINESS ON JANUARY 17 TO ASSESS WHETHER TO CLAIM COMPENSATION FROM THE UNIONS' IF THE STRIKE WENT AHEAD CAME AS UNION LEADERS HAD BEEN MEETING FOR MORE THAN TWO HOURS.

IT EXPRESSED 'SERIOUS CONCERN' THAT THE STRIKE HAD NOT BEEN CALLED OFF.

--

161914 JAN 85

NI 77 4 XXX 147

MINERS' SECRETARY TO CARRY ON:

BY DOUGLAS BROOM, PA HIGH COURT REPORTER.

SUSPENDED NOTTINGHAM MINERS' SECRETARY HENRY RICHARDSON TONIGHT FAILED TO WIN AN EXTENSION OF A HIGH COURT INJUNCTION WHICH TEMPORARILY GAVE HIM HIS JOB BACK.

AT THE END OF A THREE-HOUR PRIVATE HEARING AT THE LAW COURTS IN LONDON, MR JUSTICE WOOLF REFUSED TO RENEW THE INJUNCTION HE HAD GRANTED IN PRIVATE YESTERDAY.

BUT HE ACCEPTED AN UNDERTAKING FROM THE AREA COUNCIL THAT MR RICHARDSON, ALTHOUGH REMAINING SUSPENDED AS GENERAL SECRETARY, COULD CONTINUE TO USE HIS OFFICE AT THE UNION'S MANSFIELD HEADQUARTERS AND ACT AS AREA AGENT.

MR RICHARDSON, WHO WAS SUSPENDED ON SATURDAY BY THE AREA COUNCIL, SAID: "I REGARD MYSELF STILL AS THE GENERAL SECRETARY."

HE SAID HE WOULD CONTINUE TO ACT AS GENERAL SECRETARY, WORKING FROM HOME, REGARDLESS OF THE AREA COUNCIL'S RULING.

--

161856 JAN 85

*For Cabinet folder.**63*

SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1*15* January 1985*Dear Andrew*I attach the latest weekly report on coal
and power station statistics.Copies also go to Margaret O'Mara and
Richard Hatfield.*Yours ever**John*J S NEILSON
Private Secretary

14 January 1985

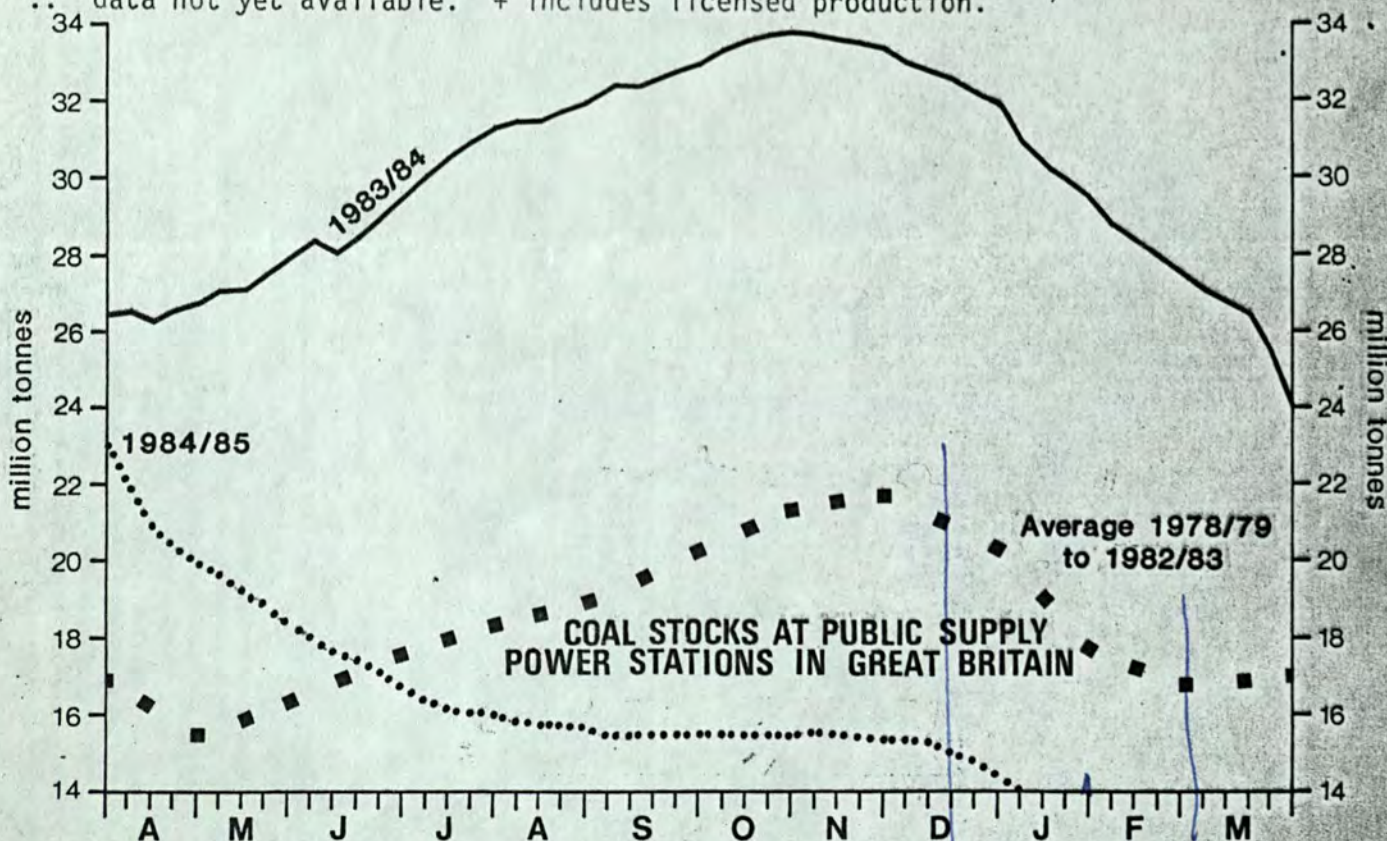
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 7.1.84 : 15.12.84 22.12.84 29.12.84 5.1.85

COAL	PRODUCTION (m. tonnes)	deep mines+	1.29 :	0.65	0.58	0.05	0.34
		opencast+	0.02 :	0.35	0.28	0.01	0.02
		TOTAL	1.31 :	1.00	0.86	0.05	0.35
COAL	PRODUCTIVITY(2) (tonnes/manshift)	'overall' o.m.s	2.19 :	..	..	..	..
		'production' o.m.s	9.40 :	..	..	..	..
UNDISTRIBUTED STOCK (m. tonnes)		TOTAL	23.88 :	20.75	20.94	20.89	20.76
STATIONS	COAL STOCKS (m. tonnes)		30.23 :	14.97	<u>14.81</u>	<u>14.40</u>	<u>14.01</u>
	COAL CONSUMPTION	"	1.75 :	0.95	0.83	0.46	0.77
	COAL RECEIPTS	"	1.07 :	0.72	0.66	0.06	0.37
STATIONS	OIL STOCKS(3)	"	1.35 :	1.19	1.33	1.35	1.43
	OIL CONSUMPTION(3)	"	0.05 :	0.57	0.59	0.53	0.56
	OIL RECEIPTS(3)	"	0.05 :	0.53	0.68	0.50	0.60
POWER	ELECTRICITY SUPPLIED (4) (GWh)		:				
	Nuclear	"	923 :	1,039	1,105	1,098	1,184
	Other Steam	"	4,077 :	4,308	4,214	3,195	3,877
	TOTAL	"	5,000 :	5,348	5,319	4,293	5,061
	TOTAL - temperature corrected	"	5,218 :	5,237	5,319	4,185	..

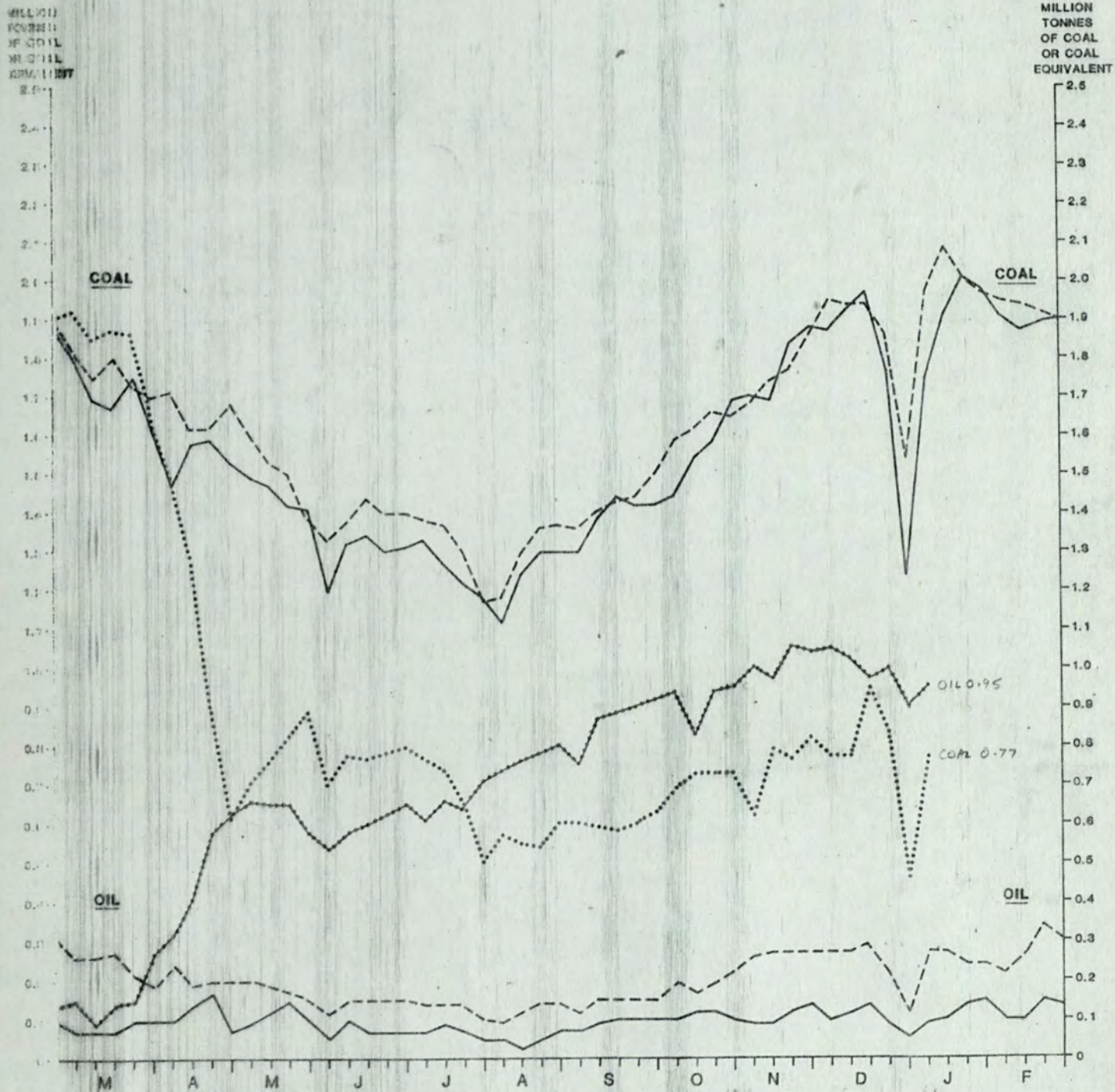
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



**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

FOR NICK TOWNES for 11/12/85

RL

PS/SECRETARY OF STATE.

CC PS/PUSS(MrHunt).

Mr Priddle.

Ms Beaton.

Mr Brown.

Mr Seeney.

Mr Gannett.

AREA ATTENDANCES : TUESDAY 15 JANUARY 1985.

		Change on Yesterday	New faces morn. shi.
SCOTLAND.	(24 hr attendance) 3257.	+255.	173.
NORTH EAST.	(24 hr attendance) 4,326.	+164.	140.
YORKSHIRE.	(24 hr attendance) 4,041.	+225.	143.
NORTH DERBYSHIRE.	(24 hr attendance) 5,958	+687.	56.
WESTERN	(24 hr attendance) 10,989	+113*	22.
SOUTH WALES	(morning shift) 214	+ 20	16.
KENT.	(morning shift)	Pls closed today.	-

*change on last Tues. 24 hr figure.

+ Notts. 1

551

23 newfaces on the afternoon shift in the following

- areas, N. East 7.
- Yorks 2.
- N. Derbys 6.
- N. Notts 3.
- Western 4
- S. Mids 1

Today's total so far is therefore 574

Yesterday's final total was 1,369 making the week's total 1,943

Total new faces so far in 1985 is 5,020.

S. Whitting

COAL 2

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K 4680

15/1/85

Pithe Minister ②

62A

Copy No 1 of 19

To note the NACODS leadership
is still proving troublesome. It is not
clear how much support they have as
NACODS men have been turning up for
work in a number of res areas. BT 15/1

Daily Coal Report - Tuesday 15 January 1985

Number

(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	74
(iv) On strike/picketed out	29

North Gawber (Barnsley) and Celynen North (South Wales) moved into the "some men present" category this morning. By this afternoon's shift 574 new faces had appeared today. This is an improvement upon 460 last Tuesday. Yesterday's final total was 1,369, making the weekly total 1,943 and a total in 1985 of 5,020. Today's new faces included 173 in Scotland, 147 in the North East, 145 in Yorkshire and 62 in North Derbyshire. The three collieries in Kent were closed today because of snow.

Change on
yesterday

Scotland	(24 hr attendance)	3,257	+ 255
North East	(24 hr attendance)	4,326	+ 164
Yorkshire	(24 hr attendance)	4,041	+ 225
North Derbyshire	(24 hr attendance)	5,958	+ 687
Western	(24 hr attendance)	10,989	+ 113*
South Wales	(morning shift)	214	+ 20

Coal Movements

152,000 tonnes were moved yesterday, a similar level to last Monday.

27 coal trains ran yesterday.

The revised figure for total coal movements last week is 918,000 tonnes.

Law and Order

No serious disturbances have been reported.

Meetings between the NCB and the mining unions

This afternoon Mr MacGregor chaired a meeting of the Coal Industry National Consultative Council (CINCC). NACODS and BACM attended, but the NUM were not represented. Mr Sampey and Mr McNestry of NACODS made impassioned pleas for the NCB to take the initiative in resuming negotiations with the NUM.

Mr MacGregor replied to the effect that while the Board were willing to enter into meaningful negotiations to settle the dispute at any time, he awaited an approach from the NUM indicating that some change might be possible in their position on uneconomic pit closures. Mr Sampey indicated that this response was extremely disappointing, and the entire NACODS delegation then walked out of the meeting after only 20 minutes. BACM remained at the meeting, and said afterwards that while it was not appropriate at present for negotiations to restart, it might well be after the next meeting of the NUM's national executive.

Tomorrow there will be a meeting of the Coal Industry Social Welfare Organisation. This is another body containing representatives of the NCB and the mining unions. It has not met since last May, when the NUM failed to attend. Around lunchtime today Mr Scargill announced that he, Mr McGahey and Mr Heathfield would all attend tomorrow's meeting. The NCB will be represented by Mr Spanton, the board member responsible for social welfare issues.

South Derbyshire NUM

The South Derbyshire NUM executive has decided to recommend a change in its rules to give the area greater independence from the national union. These rule changes will be similar to those made by the Nottinghamshire area, which faces expulsion from the national union.

Line to Take

Today's return to work continues an encouraging trend, with over 4,000 now working in Yorkshire and 5,000 having returned in total so far this year.

The National Coal Board are willing to resume talks at any time when they receive an indication from the NUM that they are prepared to enter into meaningful negotiations to settle the dispute. There is no point in starting negotiations, thereby raising expectations, if the NUM refuse to make any change in their negotiating position on uneconomic pit closures.

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

Enquiries: John Neilson, SOS for Energy's office (01-211 6070)

Pit Men (2)

69

Daily Coal Report - Monday 14 January 1985

AF 14/1

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	72
(iv) On strike/picketed out	31

Nantgarw (South Wales), where 14 men reported this morning, has moved from category (iv) to (iii).

By this afternoon's shift 1,329 new faces had reported, compared to 1,250 last Monday. Of these 473 were in the North East, 310 in Yorkshire, 174 in Scotland and 33 in South Wales.

Area attendances were as follows:-

			<u>Change on</u> <u>last Monday</u>
Scotland	(24 hr attendance)	3,002	+ 326
North East	(24 hr attendance)	4,162	+ 580
Yorkshire	(24 hr attendance)	3,816	+ 550
North Derbyshire	(24 hr attendance)	5,271	+ 218
Western	(24 hr attendance)	6,369	+ 27
South Wales	(morning shift)	194	+ 53
Kent	(morning shift)	124	+ 6*

* comparison with last Tuesday (Kent pits not open last Monday).

Coal Movements

910,000 tonnes were moved last week.

189 coal trains ran last week, including 40 on Friday. The best since the end of October.

SECRET AND PERSONAL

Law and Order

Generally quiet.

NUM

South Derbyshire's NUM executive committee has voted to support the Nottinghamshire area in its dispute with the national executive. It will meet again tomorrow to consider rule changes similar to those made by Nottinghamshire.

Meanwhile the Nottinghamshire area has chosen a moderate - Roy Link - to replace its suspended pro-strike general secretary.

High Court

Scargill and senior union leaders are being accused in a new High Court action of conspiring to assault working miners. A preliminary hearing has been set for Thursday. The action has been brought by 19 working Yorkshire miners.

In Dublin the High Court decided to resume on January 31 its hearing of the dispute between the NUM and sequestrators over £2.7m of union assets held in a Dublin bank.

Line to Take

The Coal Board have reported excellent attendances in all the main working areas and attendances in the North East and Yorkshire were up by more than 1100 on last Monday's figure. By his continued intransigence and refusal to negotiate reasonably Scargill is leading striking miners to disaster.

Distribution: Members of MISC 101, Paymaster General

Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

14 JAN 1985



(B)

M. Turnbull

NEWS OF THE WORLD ARTICLE

— P Walker

file

13/1/84

Last Tuesday evening the demand for electricity in Britain reached a higher level than at any time in our history.

Ten months after Arthur Scargill had organised a coal strike without the miners having the opportunity of a ballot this enormous electricity demand was met without difficulty.

The chairman of the ^{Central} Electricity Generating ^{Board} ~~Industry~~ has informed me that such are the supplies and stocks of coal that there will be no power cuts during 1985.

Mr Scargill's objectives of achieving industrial damage have failed and his militant and extreme attitude is losing support throughout the coalfields of Britain.

This has been the first week that there has been somebody working at every pit in Yorkshire. It has been the first week that in the crucial North Derbyshire field the majority of NUM members were at work and not on strike.

Alas, this tragic industrial action has been kept going by Mr Scargill, doing immense damage to miners, miner's families, mining communities and the mining industry. It was nearly 12 months ago that Mr Scargill explained to the miners that there were only eight weeks stocks of coal at the power stations, with the implication that if they joined him in the strike it would soon have to be ended. It was many months ago that the mass pickets were paid and organised to try and stop the miners who had voted to go to work from working. They failed. It was many months ago that Mr Scargill himself led the attack upon the Orgreave coke works to prevent the works from supplying the steel industry with the coke it required. He failed. It was throughout the late spring and early summer that the mobs were

mobilised to try and bring the steel industry to a standstill. They failed. Many of our steel works are now at record production.

The reason for the failures was not disloyalty by NUM members, or the failure of other unions to support Mr Scargill. The reason for the failure was that there never has been an industrial justification for this dispute. The country and the miners must be aware of the offer now available. An offer which if put to a ballot would, of course, be accepted by all sensible miners. It consists of:-

- a pay offer which keeps miners earnings substantially above average industrial earnings, and which exceeds what has already been accepted by groups like the power workers, gas workers and police;
- a guarantee that any miner who wishes to remain in the industry will be able to do so; there will be no compulsory redundancies arising from the closure of uneconomic pits;
- an investment programme for the industry which exceeds that of the coal industries of the rest of the European Community put together;
- generous early retirement provisions for those areas where pits are no longer economic;
- for the first time, an enterprise company financed by the National Coal Board has been established to give assistance on finance, advice and premises to new businesses coming to mining communities.

No wonder that with such an offer two of the three mining unions are not on strike and over 70,000 members of the NUM are hard at

work. No wonder 20,000 of Mr Scargill's strikers have gone back to work since the beginning of November.

On seven occasions the Coal Board have negotiated with Mr Scargill. On seven occasions Mr Scargill has refused to move from his demand that all pits, no matter how uneconomic, must be kept in production until the last tonne of coal has been extracted. This is a demand which no NUM leader has previously made, which no Labour government has proposed and which no coal industry in the world has ever practised. By making such an impossible demand Mr Scargill has succeeded in keeping the conflict going. It is however conflict that is primarily damaging to the members of his union, their families and their communities.

1984 was the lost year of opportunity. A year in which £700m worth of captial investment would have taken place in the coal industry; a year in which miners would have been well paid; a year in which not one single miner would have been made compulsory redundant; and a year in which new markets would have been obtained. 1984 was the most tragic year in Britain's coal mining industry. I hope and pray that sanity will now prevail, that our mines will return to normal working, that investment will take place, that new markets will be secured and that 1984, the year of disaster, will be followed by 1985, the year of revival.

PETER WALKER
11 January 1985



CDD
141'

10 DOWNING STREET

From the Private Secretary

Prime Minister

Afghans and the NUM

I am told that the
cheque was handed over by
Ron Brown MP and that
the Afghan Charge' d'Affaires was
not present.

CDD
H/i
MR

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

Mr Tyle
Mr Cane
Mr Turnbull

Reference No. 7

January 11, 1985

thro' C.C.O. ~~at~~ Friday 11 Jan.

Speaking at Rous Lench Village Hall in Worcestershire at 8.00pm this evening Peter Walker, Secretary of State for Energy, said:

"I cannot believe that Britain's miners will continue much longer to tolerate the damage being done to their families, their communities and their industry by the totally unjustified industrial action organised by Mr Scargill. The mind boggles at the extraordinary statements he perpetually makes, statements totally divorced from reality.

"After his National Executive meeting this week he came out saying that there were more men on strike than at the beginning of the strike and that the return to work had been a flop. Yet every journalist and every miner knows that there has been a massive return to work in the last few months. 20,000 members of Mr Scargill's union have returned to work since the beginning of November. At the beginning of November there were 81 pits with nobody at work. Now 151 of Britain's pits have men working and only 23 are totally on strike. For the first time last week every pit in Yorkshire had somebody at work, and another one of Yorkshire's major pits started producing coal.

"It was Mr Scargill who, but a week or so ago, stated that any of those 70,000 miners that were at work who rejoined the strike would be forgiven but, if after Christmas they continued to work, they would be stained for all time. We now know the manner in which that threat has been received. Not only did the 70,000 working miners remain at work and produce more coal than ever before, but now several thousand more of their colleagues have joined them.

"Even more extraordinary, Mr Scargill claimed after his executive meeting that it was the Coal Board that had turned down the proposal from ACAS. The Chairman of ACAS has made it abundantly clear there was only one ACAS proposal - a compromise proposal to bring a solution, a proposal accepted by the Coal Board and rejected by Mr Scargill.

"This week we saw the biggest ever demand for electricity in the history of our country happily and easily met by our power stations. The movement of coal, the production of coal is at high levels allowing the Chairman of the CEEB to inform the country that with such stocks and such coal production there will be no power cuts in 1985. The steel plants throughout the country are hitting record production levels.

"Having failed to close the working collieries, having failed to close Britain's steel works and having failed to close Britain's docks and transport system it appears that Mr Scargill is now engaged in trying to break up his union. I hope he will not be allowed to break up a union which has a fine tradition. I hope that soon this union will return to being a united union able to ballot when it feels industrial action is necessary; a union free of violence and intimidation; a union willing to sit down with the Coal Board and operate a plan for the coal industry which will bring it expanding markets instead of decaying pit faces.

"Mr Scargill has repeated yet again that he is unwilling to move an inch from his impossible demands. I hope soon that saner counsel will prevail so that 1985 can be the year of recovery for this industry after its year of disaster in 1984."

SECRET AND PERSONAL

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Daily Coal Report - Friday 11 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	71
(iv) On strike/picketed out	32

113 men reported back today bringing the week's total to 2,339.

There were no particularly notable features today. Area attendances were as follows:

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,920	+ 13
North East	(24 hr attendance)	3,790	+ 9
Yorkshire	(24 hr attendance)	3,591	+ 32
North Derbyshire	(24 hr attendance)	5,610	- 150
Western	(24 hr attendance)	11,290	+ 92
South Wales	(morning shift)	166	+ 3
Kent	(morning shift)	120	- 3

Coal Movements

Another excellent day: 194,000 tonnes were moved.

48 coal trains ran - the highest number since 2 October

Law and Order

Isolated reports of trouble in Yorkshire and the North East but no major violence.

SECRET AND PERSONAL

NUM

Nottinghamshire miners' leaders will decide tomorrow how to respond to the National Executive's threat to expel them from the union. They will also reportedly discuss the possibility of seeking consent from the Coal Board to act as the sole negotiation body on wages and conditions in the Nottingham area.

Meanwhile, Scargill has urged Nottinghamshire miners to stay in the NUM claiming that the real intention of the Nottingham executive is to establish a "management union". He has asked individual members to "declare their faith in writing".

Meanwhile the national executive's embarrassment has continued, over the Ashington (Northumberland) branch decision to return to work unless negotiations resumed by 21 January. The Northumberland area president claimed at a press conference that there had been a "clerical error" in the Ashington letter. This seemed a fairly desperate attempt to paper over the cracks.

NACODS

NACODS had further discussions with the Coal Board today on the Board's 5.2 per cent pay offer for the current year (already accepted by the management union BACM). The Secretary of State will report on the detailed outcome to Monday's MISC 101 meeting. NACODS propose to hold a special delegate conference on Wednesday, followed by a national ballot.

High Court

Working miners who are seeking to have the NUM leaders replaced as trustees of the union's national funds today agreed to delay the trial of their High Court action until after elections from

SECRET AND PERSONAL

the national executive committee.

The Judge also adjourned, until after proceedings in the Dublin High Court scheduled for next week, further moves relating to seizure of the union's assets in Ireland.

The High Court today refused to grant a temporary injunction against the South Wales NUM pending a full hearing of an application by working miners for a ban on mass picketing.

Line to Take

As before. More miners are deserting the strike. More coal is being produced and another major pit is turning coal in Yorkshire. Strikers who return to work now can earn substantial sums and in most cases won't need to pay tax on earnings before April. In one month alone they could earn as much as £1,000 and qualify for holiday pay. This emphasises that the deal on offer to miners is a good one. It will pay miners to listen to the Coal Board and not to the militants and wreckers who are trying to destroy the industry for political ends.

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

1. IF 2 File

FOR SHEENAGH / ANDREW TURNBULL

NUMIA 11 / 1 / 1

from P. Le Granatt D/EN

COAL INDUSTRY DISPUTE - EARLY REPORT FOR: 11 JANUARY.

Pit categories:

	<u>Number</u>	
(i) working normally:	47	89 new faces so far.
(ii) turning some coal:	24	
(iii) some men present:	71	
(iv) strike/picketed out:	32	

Comments on any changes:

Now lost 25 working coal faces. (Then at 151 with reserves)
 This week about 625K tonnes will be deepmined. 920K ~~tonnes~~

Other News: NOT FOR PUBLICATION

should be included.

SCOTLAND: 14 New Faces: Bilston Glen 1028, Markton Hall 376, Killoch 368, Barony 144
 Seafield 75, Polkhammat 224, Frances 26, Cottlehill 17, Longannet 11, Solsgirth 6

NORTH EAST: 6 New Faces so far. Ashington 78, Easington 42, Eppleton 34, Wearmouth 467

N. YORKS: 10 New Faces: Arcton Hall 9, Allerton Bywater 41, Fryston 6, Glasshoughton 13,
 Kellingley 174, Ledstone Luch 23, Nostell 12, Prince of Wales 24, Savite 31
 Smeaton 13, Wheldale 11, Wistow 162, Saccorigne Wood 71, Riccoll 80, Shillingfleet 3
 Whitmoor 4, N. Selby 6

DONCASTER: 2 New Faces: Ashern 7, Bentley 28, Brodsworth 40, Fridley 2, Goldthorpe 2
 Hatfield 7, Markham 22, Rossington 29, Yorks Main 21, Hilderton 3.

BARNSLEY: 8 New Faces: Barrow 20, Bulcliffe Wood 25, Darfield 5, Denby Grange 253,
 Dodworth 13, Emley Moor 78, Ferry Moor 7, Grimethorpe 5, Haughton 17
 N. Gauder 4, Park Mill 23, S. Kirby 10, Woodley 23, Royston 4, Kinsley 1, Deane Valley 1

S. YORKS: 10 New Faces: Barnburgh 12, Bardhouse 99, Cadeby 3, Cottonwood 11
 Dinnington 115, Kiveton Park 80, Maltby 40, Manners 48, Silverwood 25, Thurncroft 83
 Treboon 35, Wath 7, Manton 397, Shireoaks 367, Kiln Hurst 2.

N. DERBYS: 35 New Faces: Arkwright 228, Bolsover 375, High Moor 53, Inland 127, Markham 74,
 Roushaw Park 135, Shirebrook 84, Warsop 439, Whitwell 222

S. WALES: 3 new faces: Abernant 4, Cynheidre 94, Cwm 4, Calypen S 36, Merthyr Vale 2,
 Marine 10, Six Bells 12, Nantgarw 1, Wernos washery 1.



MT 59

PRIME MINISTER

MISC 101(85)2nd Meeting: Coal

You will wish to invite reports from:

i. The Secretary of State for Energy on

- ✓ - the number of pits and miners working.
- coal movements and power station coal stocks in the first full post Christmas/New Year holiday working week.
- ✓ - NACODS pay negotiations following the NACODS/NCB meeting on Friday 11 January.
- likely developments following the NUM NEC meeting on Thursday 10 January.
(There are three matters of particular interest

a. The proposed attendance of the complete NUM NEC at any future negotiations with the NCB.

✓ b. The possible expulsion of the Nottingham Area from the NUM at the end of the month. Although a split of this magnitude might be useful in undermining the cohesion of the NUM the removal of moderate Notts Area representatives could strengthen Scargill's position on the National NEC. The Notts Area Council were due to meet on Saturday 12 January to decide on their attitude.

c. Reports that NUM members at Ashington Colliery in Northumberland are considering a return to work if negotiations with the NCB are not resumed by 21 January.

*Scargill.
Opposed
Under no circumstances
charge position
∴ No point in negotiations.*

ii. The Secretary of State for Employment on

- the possibility of any further move by the TUC in the light of the outcome of the NUM NEC meeting.

iii. The Home Secretary on

- law and order.

iv. The Attorney General on

- recent developments in the High Court.
(Press reports on 10 and 11 January suggested that the High Court Receiver might soon gain control of the NUM £4 million in Luxembourg and that the NUM might now be in a position to use some of their £2.7 million in Dublin to finance continuing efforts to regain full control of their funds. In addition High Court actions were due on Friday 11 January involving 20 Welsh miners challenging the legality of mass picketing and the National Working Miners Committee attempting to prevent NUM Executive members from taking further actions to sustain the strike.)

v. The Secretary of State for Transport on

- likely support for the one day strike called by the NUR/ASLEF at certain depots in the Eastern and London Midland areas of British Rail for Thursday 17 January. Is there a risk that, if BR take action under the 1984 Trade Union Act, because the strike has been called without a ballot, more widespread industrial action might occur?



Next Meeting

2. There will be an opportunity for discussion under Industrial Affairs at Cabinet on Thursday 17 January.

A handwritten signature in dark ink, appearing to read 'J A J Budd', is written above the typed name.

BRIGADIER J A J BUDD

11 January 1985

... six and nine of that Act shall have in to working minerals (other than (2) of the said section five) included boring for coal.

... Part I of the Third Schedule to with respect to the vesting in the ministering schemes under Part I of the making of compensation in respect of the Board, the effect of such body or a selling agent appointed as are mentioned in that Part of of the affairs of those bodies and herein mentioned.

... II of the Third Schedule to this Act to the vesting in the Board of of the South Yorkshire Mines by the South Yorkshire Mines de under section eighteen of the dissolution of that Committee and oned in that Part of that Schedule.

... III of the Third Schedule to this the purpose of supplementing the hereof.

... by Order in Council make such to be requisite or expedient, in cons Act, for—

... ng rights conferred and obligations caster Area Drainage Act, 1929, ea Drainage Act, 1933, on mine- roposing to work minerals under within the Doncaster Drainage chment Board of the River Ouse ea or the Catchment Board of the t Area, or for substituting other in lieu of all or any of the rights nferred and imposed;

... ns of the said Catchment Boards. er in Council make such provision site or expedient, in consequence h respect to the Blyth Harbour rsey Navigation Commissioners, or Harbour of Newport and the n, and any other body carrying nd navigation undertaking under Act or by an order or scheme

made under, or confirmed by, an Act, being an Act, or an order or scheme, as the case may be, which provides for the representation on the body of the interests of persons of a class of which the Board are members.

(3) An Order in Council under either of the preceding subsections may make provision for any incidental or supplementary matters for which it appears to His Majesty in Council to be requisite or expedient for the purposes of the Order to provide, and for any requisite amendment or repeal (in the case of an Order under subsection (1)) of any provision of the Doncaster Area Drainage Act, 1929, or the Doncaster Area Drainage Act, 1933, and (in the case of an Order under subsection (2)) of any provision of any Act, order or scheme regulating the constitution of any such body as is mentioned in that subsection.

(4) The draft of any Order in Council proposed to be made under subsection (1) or (2) of this section shall not be submitted to His Majesty until it has lain before each House of Parliament for a period of forty days, and if within that period either House of Parliament resolves that the draft be not submitted to His Majesty, no further proceedings shall be taken thereon, but without prejudice to the laying before Parliament of a new draft.

In reckoning any such period of forty days as aforesaid, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

(5) An Order in Council under subsection (1) or (2) of this section may be varied or revoked by a subsequent Order in Council thereunder.

Miscellaneous provisions as to the Board.

46.—(1) It shall be the duty of the Board to enter into consultation with organisations appearing to them to represent substantial proportions of the persons in the employment of the Board, or of any class of such persons, as to the Board's concluding with those organisations agreements providing for the establishment and maintenance of joint machinery for—

Duty of the Board as to establishment of machinery for settlement of terms and conditions of employment, etc.

(a) the settlement by negotiation of terms and conditions of employment, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements; and

(b) consultation on—

(i) questions relating to the safety, health or welfare of such persons;

(ii) the organisation and conduct of the operations in which such persons are employed and other matters of mutual interest to the Board and such persons arising out of the exercise and performance by the Board of their functions.



HUE

cc: PC R07

10 DOWNING STREET

From the Private Secretary

11 January, 1985

AFGHAN AID FOR UK MINERS

Thank you for your letter of 10 January about the action taken with the Afghan Charge d'Affaires over his participation or that of his staff in a ceremony to present a cheque to the NUM.

The Prime Minister has noted this.

(C.D. Powell)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

Could be Nuclear
Physicist!



file

SH2A-01

Not Appts

10 DOWNING STREET

58B

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen from a recent report that Professor Allen was expected to fly to Moscow on 8 January and to return on 11 January. She has asked whether he has travelled under his own name and whether you are considering obtaining publicity for his visit.

BF

E. E. R. BUTLER

10 January, 1985

SECRET

gl.

Leeds University
Prof 580
Friend of
A. Scargill
Please
X-ref

1901

Coal





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

For next
MISC 101

58

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

10 January 1985

Dear Mr Turnbull

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

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

Yours sincerely

Kay Krieger

PPJ S NEILSON
Private Secretary

Copy No *1 of 14*
9 January 1985

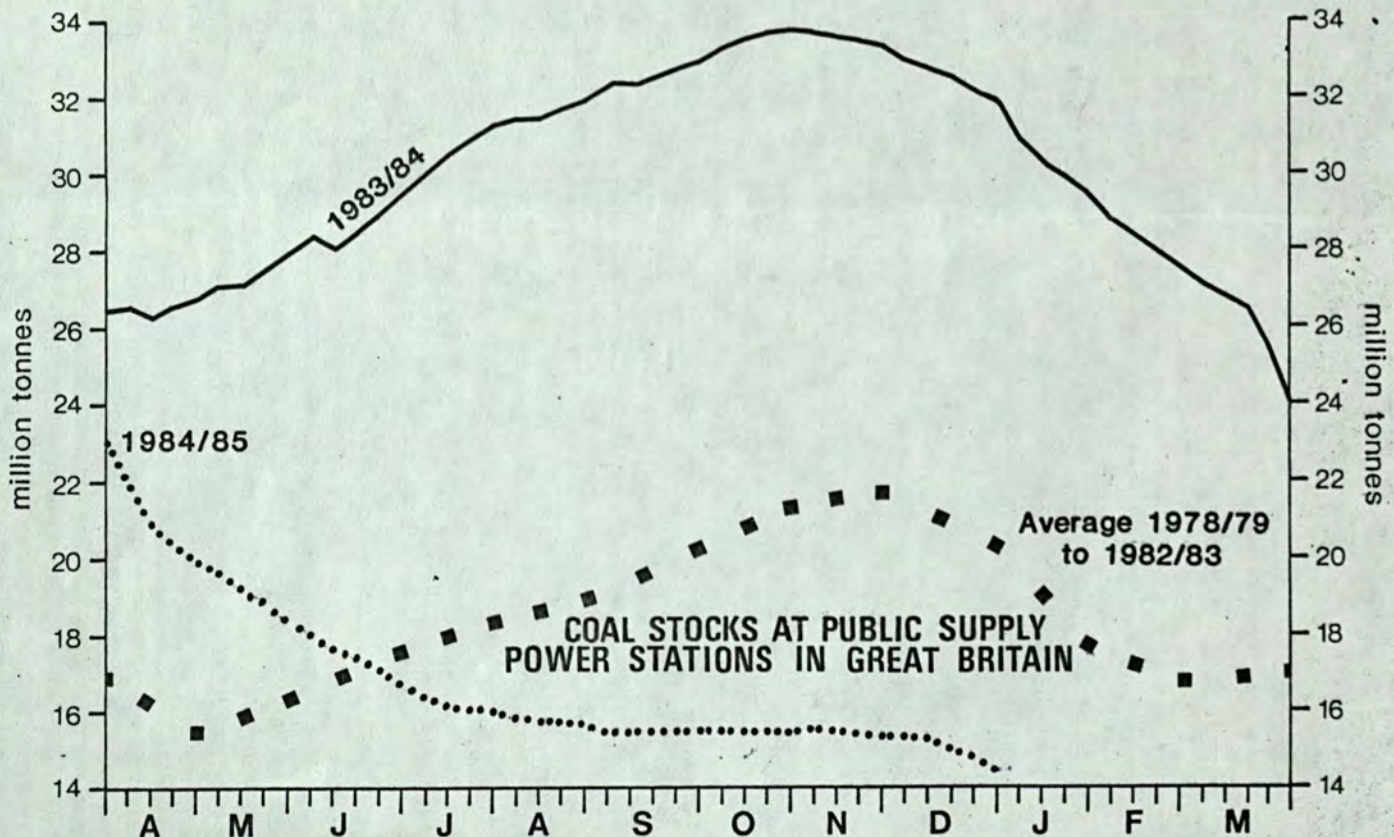
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 31.12.83 : 8.12.84 15.12.84 22.12.84 29.12.84

COAL	PRODUCTION						
	(m. tonnes)	deep mines+ opencast+	0.13 :	0.63	0.65	0.62	0.05
		TOTAL	0.01 :	0.29	0.34	0.28	0.01
			0.14 :	0.91	0.99	0.90	0.05
COAL	PRODUCTIVITY(2)						
	(tonnes/manshift)	'overall' o.m.s	1.84 :	..	..	..	..
		'production' o.m.s	7.84 :	..	..	..	..
UNDISTRIBUTED STOCK							
(m. tonnes)	TOTAL		23.92 :	20.84	20.75	..	..
STOCKS	COAL STOCKS	(m. tonnes)	30.90 :	15.20	14.97	14.81	14.40
	COAL CONSUMPTION	"	1.24 :	0.77	0.95	0.83	0.46
	COAL RECEIPTS	"	0.24 :	0.70	0.72	0.66	0.06
STOCKS	OIL STOCKS(3)	"	1.35 :	1.17	1.19	1.33	1.35
	OIL CONSUMPTION(3)	"	0.03 :	0.60	0.57	0.59	0.53
	OIL RECEIPTS(3)	"	0.06 :	0.54	0.53	0.68	0.80
POWER	ELECTRICITY SUPPLIED (4) (Gwh)						
	Nuclear	"	951 :	1,033	1,039	1,105	1,098
	Other Steam	"	2,957 :	4,140	4,308	4,214	3,195
	TOTAL	"	3,909 :	5,172	5,348	5,319	4,293
	TOTAL - temperature corrected	"	4,196 :	5,398	5,237	5,319	4,185

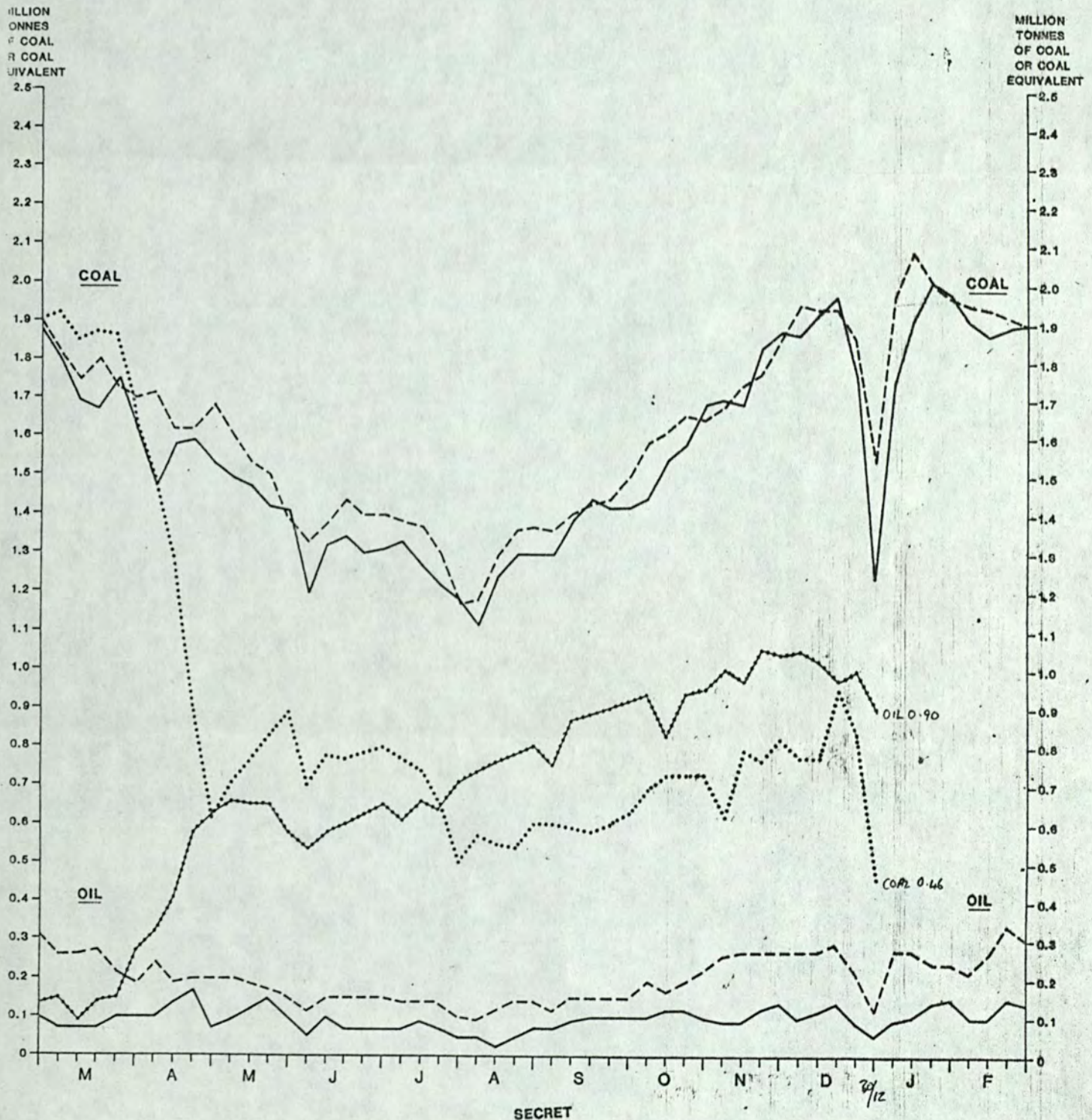
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



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

Key

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





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

For next
MSC 101

57

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

10 January 1985

Dear Mr Turnbull,

POWER STATION ENDURANCE

I attach the latest weekly report.

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

Yours sincerely

John Highfoot

PP M F REIDY
Private Secretary



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week amounted to 0.37mt (including non-NCB sources). Coal burn was 0.77mt and stocks fell by 0.39mt. The Board's stocks on Sunday night (6 January) were 13.32mt with a further 0.68mt at Scottish power stations.

2 Total NCB deliveries last week were estimated to amount to some 0.47mt of which about 0.12mt went to customers other than power stations.

3 The average rate of deliveries to CEGB power stations over the whole period of the strike has been 0.52mt. The average over the past eight weeks has been 0.58mt.

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

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	early April	late June
0.40	late April	mid November
0.45	-	Winter 1985/6

Department of Energy

9 January 1985

CONFIDENTIAL

Prime Minister
CDP 10/11 (2)



Foreign and Commonwealth Office

London SW1A 2AH

10 January 1985

mf
Dear Charles,

Afghan Aid for UK Miners

As I mentioned on the telephone, the Daily Mail reported on 7 January that the Afghan Charge would present a "substantial cheque" to the NUM, purportedly from the Afghan trade unions.

We therefore summoned the Charge this afternoon. The Head of Protocol Department drew his attention to the Daily Mail report, and said that we assumed there was no foundation in this. If this report was correct, his participation in or presence at any such ceremony would be a clear contravention of Article 41 of the Vienna Convention on Diplomatic Relations, which states that diplomats have a duty not to interfere in the internal affairs of the State in which they are serving. Such participation would therefore be unacceptable to us and could have serious consequences.

The Charge claimed that the press report was misleading, in that the money came from a non-governmental organisation, namely the workers of Afghanistan. The Embassy and its staff were not directly involved in the matter. We expressed gratitude for this assurance but repeated that the participation or presence of any member of the Afghan Embassy would be unacceptable to us. The Charge said that no diplomat would hand over the cheque, nor had the meeting been arranged by the Embassy. But if the organisers were to invite him to attend, he could not refuse either to do so or to send an observer. We therefore repeated that the presence of any member of the Embassy at the ceremony would be unacceptable. We looked to the Charge not to support it by his presence. In response, the Charge repeated that it was not a government matter and that there was "no need" for him to hand over the cheque. He added that he would try not to go.

We understand that a cheque will be handed over at a ceremony at 1530 tomorrow at which Mr Ron Brown MP and others of the Friends of Afghanistan Association will be present. It seems likely from this afternoon's meeting that neither the Charge nor his deputy will now hand over the cheque. But one or the other may still be present.

/Recommendations

CONFIDENTIAL

CONFIDENTIAL



Recommendations for further action, if necessary, will be put to Ministers following tomorrow's ceremony. For the moment our News Department will merely confirm if asked that the issue has been raised and, if asked in what terms, will say no more than that we have made our views clear to the Afghan Charge in London.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

10 JAN 1985

10 11 12 1
2
3
4



Prime Minister (2)
 AT 10/11

Daily Coal Report - Thursday 10 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	71
(iv) On strike/picketed out	32

Grimethorpe (Yorkshire) and Six Bells (South Wales) have moved from category (iv) to (iii). Herrington has been demoted to category (iii) because mechanical problems have stopped coal production.

195 new faces reported back today. These included the first (10) men to report back to the Six Bells pit in South Wales. The total for the week so far is 2,223. Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,907	+ 53
North East	(24 hr attendance)	3,781	+ 23
Yorkshire	(24 hr attendance)	3,559	+ 34
North Derbyshire	(24 hr attendance)	5,760	+ 185
Western	(24 hr attendance)	11,198	+ 35
South Wales	(morning shift)	163	+ 12
Kent	(morning shift)	123	+ 4

Coal Movements

191,000 tonnes were moved yesterday - an excellent total considering the adverse weather conditions.

35 coal trains ran.

Law and Order

No major troubles though in one or two areas pickets have turned their attention to power stations as well as pit heads.

Some moderate NUM National Executive members were punched and jostled by a mob of 200 jeering miners after they left today's meeting in Sheffield.

NUM National Executive

At this stage we have no intelligence on the proceedings beyond what has already been well reported by the media.

Scargill said afterwards that the full national executive committee was willing to go into negotiations with the Coal Board in an attempt to settle the dispute - though he gave no indication of any shift in NUM demands. The committee also reportedly decided to exclude the Nottinghamshire area from the national body unless it reconsiders decisions on recent rule changes. The issue is to be put to a special delegate conference to be held at the end of this month.

Rail Unions

The unions have announced that they intend to call out eleven Midlands depots on 17 January.

Line to Take

The sole cause of this needless dispute has been Mr Scargill's continued intransigence over a period of months, in the face of the best offer to miners from the Coal Board since nationalisation.

SECRET AND PERSONAL

If Mr Scargill seriously wishes to resume negotiations with the Board the over-riding need is that he should put this intransigence behind him and show convincingly that he has something constructive to offer which recognises the realities which the industry faces.

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

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

MST

SECRET AND PERSONAL

10 JAN 1985

11 12 1
10 2
9 3
8 4
7 5
6

CONFIDENTIAL



10 DOWNING STREET

From the Principal Private Secretary

10 January, 1985.

You should see the attached letter which I have received from the Foreign and Commonwealth Office today about a ceremony being arranged tomorrow to hand over a substantial cheque to the NUM, purportedly from the Afghan trade unions, in the presence of Mr. Ron Brown, among others.

I have copied this letter to Richard Hatfield (Cabinet Office) and (without attachment) to Peter Ricketts (Foreign and Commonwealth Office).

HAT?

Michael Reidy, Esq.,
Department of Energy.

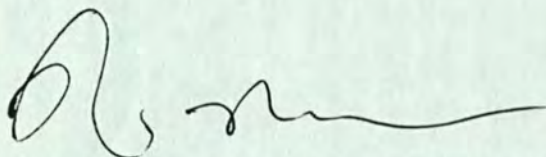
CONFIDENTIAL

cero

01 211 6402

The Rt Hon Norman Fowler MP
Secretary of State for
Social Services
Alexander Fleming House
Elephant and Castle
LONDON
SE1 6BY

10 January 1985



UNEMPLOYMENT BENEFIT FOR REDUNDANT MINERS

I am writing to express my concern at the limitations placed on National Coal Board manpower policy by the operation of the Social Security Act 1975 and related regulations. Contrary to advice given to my Department and the Board when the mining dispute began, it seems that even miners who have returned to work will, if made redundant while the strike continues, not be eligible for unemployment benefit until it is over.

As you will appreciate, manpower reduction through voluntary redundancy is a key element in the NCB's efforts to bring its finances to break-even in line with its objectives. When the current dispute began we were keen to ensure that the Board should be in a position to continue seeking volunteers for redundancy among working miners, including among those who had returned to work after a period on strike. This policy is jeopardised by rulings from the independent adjudication service which mean that any miner who has not "worked normally" at any time from the beginning of the dispute, rather than from the beginning of his period of notice, is disqualified from receipt of unemployment benefit. Not only is the loss of one or two shifts apparently sufficient for such a disqualification but the "beginning of the dispute" is being interpreted as the beginning of the overtime ban ie October 1983 rather than the beginning of the full strike in March 1984. Clearly redundancy without unemployment benefit is a far less attractive proposition and the National Coal Board are convinced that the way the legislation is being applied is a significant factor which will directly affect their ability to proceed with redundancies.



I am aware that a number of cases are now awaiting decision on appeal by the Social Security Commissioners. Their decisions may ease the problem to some extent. I have however come to the conclusion that the effects of the primary legislation itself, applied during a major strike lasting many months, may not be entirely as intended. For example could it have been intended that someone who accepted redundancy before a strike but whose period of notice extended into the strike should, whether or not he was on strike, lose his unemployment benefit if the strike prevented him working absolutely normally throughout his notice period? Similarly was it intended that someone who returns to work after a period on strike and then decides to accept redundancy should, for as long as the strike continues, be ineligible for unemployment benefit? I doubt whether the legislation was drafted to deal with such a long stoppage as we are now faced with.

I would therefore ask you to consider whether it might not be opportune to set up a review of the relevant social security legislation with a view to redrafting those sections which seem to have given rise to the most difficult problems during the current dispute. While I would not expect the results of any such review to ease the current problems faced by the National Coal Board, I believe it would be helpful if positive steps were taken now in an effort to ensure that the many problems of interpretation which have arisen since March would in due course be definitively resolved by clarifying the primary legislation.

I should welcome your agreement to this proposal and also that of Tom King to whom I am copying this letter.

A large, stylized handwritten signature in black ink, consisting of a large 'P' and 'W' followed by a cursive flourish.

PETER WALKER

PE 15.

12 1 23 4
5 6 7 8 9 10 11

22 MAY 1985

CONFIDENTIAL



10 DOWNING STREET

From the Principal Private Secretary

Mr. Hatfield

You should see the attached letter from the Foreign and Commonwealth Office about Afghan aid for UK miners, on which I asked you whether we should be ensuring that there was adverse publicity. It appears from Mr. Ricketts' letter that the ceremony of handing over the Afghan money is no secret, and it may be that there will be publicity any way. But perhaps you could ask your contacts to make sure that there is, or arrange that the Department of Energy are doing so. I have separately sent the Department of Energy a copy of Mr. Ricketts' letter under the attached note.

AT?

10 January, 1985.

CONFIDENTIAL

CST.

SECRET AND PERSONAL

56

Daily Coal Report - Wednesday 9 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	25
(iii) Some men present	68
(iv) On strike/picketed out	35

Marine (South Wales) has moved from category (iv) to (iii).

By this afternoon's shift 305 new faces had reported, bringing the total for the week to 2,021. Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,854	+ 58
North East	(24 hr attendance)	3,758	+ 94
Yorkshire	(24 hr attendance)	3,525	+ 119
North Derbyshire	(24 hr attendance)	5,575	+ 81
Western	(24 hr attendance)	11,163	+ 287
South Wales	(morning shift)	151	+ 6
Kent	(morning shift)	119	+ 1

Coal Movements

173,000 tonnes were moved yesterday.

38 coal trains ran.

Law and Order

Little change, except the Coal Board report renewed outbreaks of

SECRET AND PERSONAL

intimidation in Scotland.

Rail Unions

ASLEF and the NUR have yet to decide which services are to be affected by the one day strike they have called on 17 January, in protest at the sending home of train crews who have refused to work coal trains. Department of Transport have commented that the unions will have to select the services concerned with care given the half-hearted support that exists for the NUM among many railwaymen.

CEGB Meet Record Electricity Demand

The CEGB met yesterday's record power demand of 45,046 megawatts without difficulty. The CEGB management reiterated their confidence that they could meet foreseeable demands without risk of power cuts.

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 6070



Ref. A085/78

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

You will wish to invite reports from:

(i) The Secretary of State for Energy on:

the number of pits and miners working;

coal movements and power station stocks;

the NUM National Executive meeting tomorrow
(Thursday) where representatives from South Wales
and Lancashire are to press for a resumption of
negotiations;

the current attitude of NACODS to crossing picket
lines and to the NCB's 5.2 per cent pay offer;

the NCB's plan of action for maintaining and
accelerating the return to work during January and
February.

(ii) The Home Secretary on:

the current level of picketing, intimidation and
vandalism;

progress in dealing with criminal cases in the
courts.

(iii) The Secretary of State for Transport on the 24-hour
stoppage threatened by the rail unions for the London,
Midland and Eastern Regions on 17 January.



- (iv) The Secretary of State for Employment on any TUC moves to restart negotiations.

Next Meeting

2. There will be a meeting of MISC 101 on Monday 14 January at 10.30 am.

RAH

ROBERT ARMSTRONG

9 January 1985

For: Sheeragh for site G

NUMIA 9/1/1

Andrew Turnbull

COAL INDUSTRY DISPUTE - EARLY REPORT FOR: 9 JANUARY.

Pit categories:

	<u>Number</u>
(i) working normally:	47
(ii) turning some coal:	25
(iii) some men present:	68
(iv) strike/picketed out:	34

209 new faces
so far.
1,919 this week
so far.

Comments on any changes:

Kellingley (N. Yorks) began production yesterday.

Marine (S. Wales) moved from (iv) to (iii).

Other News: NOT FOR PUBLICATION

SCOTLAND: 63 New Faces. Bilston Glen 1022, Monkton Hall 371, Killoch 34, Barony 137
Polkemmet 213, Seafield 74, Frances 21, Castlehill 17, Longannet 11, Sotsgirth

NORTH EAST: 7 New Faces so far

N. YORKS: 23 New Faces. Akton Hall 9, Atterton Bywater 48, Frystar 7, Glasbrough 13
Kellingley 169, Ledstone Lark 23, Nostell 15, Prince of Wales 27, Savile 34, Sharlston
Wheldale 11, Wistow 164, Gascoigne Wood 73, Riccall 83, Shillingfleet 40
Whitmoor 4, N. Selby 6

DNCASTER: 1 New Faces. Asburn 7, Bertley 29, Birdsnoth 37, Fickley 2, Seldth
Hatfield 6, Markham 19, Rossington 29, Yorks Main 24, Hilleston 3

BARNSELY: 5 New Faces. Barrow 20, Bulldiffe Wood 25, Darfield 5, Denby Grange 24
Dodworth 13, Emley Moor 71, Ferry Moor 57, Grinthorpe 6, Haughton 16, N. Sand
Park Mill 23, Skirby 10, Wooley 24, Royston 4, Kinsley 1, Dearne Valley 1

S. YORKS: 24 New Faces. Barnburgh 12, Brocthouse 100, Cusby 3, Cotonwood 11
Dinnington 109, Kiveton Park 72, Maltby 40, Menvers 47, Silverwood 27, Thurstoft
Treeton 34, Wath 6, Manton 414, Shireoaks 37, Kilnhurst 2

N. DERBYS: 66 New Faces. Arkwright 227, Betsaver 373, High Moor 58, Ireland 132, Markha
Renshaw Park 123, Shireoaks 837, Wainop 450, Whitwell 223.

S. WALES: 3 new faces. Cynheidre 94, Celynen S. 36, Cwm 4, Abernant 4, Marine 7,
Merthyr Vale 2, Nantgarw 1, Deep Navigation 1, Wernos washery 1.

Phillips & Drew

ECONOMICS UNIT

8 JANUARY 1985

COAL STRIKE SUPPLEMENT NO 9

Coal dispute: Updated figures

By Paul Neild and Alan Scowcroft

*Coal
fuel*

As the coal dispute enters the New Year, it is an appropriate moment to update the figures shown in our last supplement dated 17 October 1984. Table 1 shows UK power station fuel usage as published up to and including October 1984, together with our estimates of the likely position to end-1985. Table 2 gives similar figures for all coal stocks. The estimates are based upon several assumptions, the most important of which are:

- (i) Deliveries to UK power stations continue at their recent rate of 750,000 tonnes per week;
- (ii) No additional significant support for the striking miners comes from other unions, the TUC or NACODS, beyond that being implemented at present;
- (iii) Coal output continues at its published October rate. This has more recently been on a rising trend so, if anything, this is a conservative assumption;
- (iv) The CEBG is recently reported to have informed the Energy Secretary that it intends voluntarily to reduce the oil burn in coming months. The October published oil burn at UK power stations was 1,028,000 tonnes of coal equivalent per week. Reports suggest that the UK, as opposed to England and Wales, burn rose to about 1,150,000 tonnes per week in November and December. We assume a reduced burn of 1m tonnes per week in the first quarter of this year and 950,000 tonnes per week in the remaining quarters. **Without this voluntary reduction, the power station coal stock estimates in Table 1 would be larger than shown.** Hence here again we feel we are making a cautious assumption.

Table 1: UK power station fuel usage

<i>m tonnes coal equivalent</i>	<i>Total fuel</i>	<i>Oil burn</i>	<i>Nuclear burn</i>	<i>Hydro + NG</i>	<i>Residual coal</i>	<i>Deliveries</i>	<i>Coal stocks</i>
1984 Jan*	10.2	0.8	1.5	0.3	7.7	4.6	28.8
Feb*	10.2	0.8	1.5	0.2	7.6	6.0	27.2
Mar*§	12.2	1.1	1.6	0.2	9.2	5.0	23.0
Apr*	8.0	2.2	1.3	0.1	4.4	1.3	19.9
May*	7.5	2.8	1.5	0.1	3.2	1.7	18.4
Jun*§	8.8	3.3	1.6	0.1	3.8	2.1	16.7
Jul*	6.8	2.9	1.2	0.0	2.7	1.9	15.9
Aug*	6.9	3.4	1.2	0.1	2.3	1.9	15.5
Sep*§	9.4	4.7	1.6	0.1	3.0	3.1	15.6
Oct*	8.5	4.1	1.3	0.2	2.9	2.8	15.5
Nov	9.3	4.6	1.5	0.2	3.0	3.0	15.5
Dec§	11.7	5.8	1.6	0.2	4.1	3.8	15.2
1985 Jan	9.9	4.0	1.5	0.3	4.1	3.0	14.1
Feb	10.2	4.0	1.5	0.2	4.5	3.0	12.6
Mar§	11.8	5.0	1.6	0.2	5.0	3.8	11.4
Apr	8.2	3.8	1.5	0.1	2.8	3.0	11.6
May	7.8	3.8	1.5	0.1	2.4	3.0	12.2
June§	8.7	4.8	1.6	0.1	2.2	3.8	13.8
July	6.8	3.8	1.4	0.1	1.5	3.0	15.3
Aug	6.9	3.8	1.4	0.1	1.6	3.0	16.7
Sept§	9.4	4.8	1.6	0.2	2.8	3.8	17.7
Oct	8.5	3.8	1.5	0.2	3.0	3.0	17.7
Nov	9.3	3.8	1.5	0.2	3.8	3.0	16.9
Dec§	11.7	4.8	1.6	0.3	5.0	3.8	15.7

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

Our conclusion on power station stocks is that they will remain well above the safety level, at which power cuts would be probable, right through 1985. We guesstimate this safety level at about 4m tonnes. Indeed, even on our somewhat conservative assumptions, power station stocks would be higher entering next winter than entering this winter. Such is the Government's room for manoeuvre on stocks that even a 3-month spell of very cold weather would not substantially alter this picture.

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

Table 2: UK coal stocks

	Coal output	Net imports	Consumption			Total stocks	Stocks at		Power stations
			By power stations	Non power stations	In transit		Pit heads	Other	
1984 Jan*	7.4	-0.2	7.7	2.1	-1.4	54.0	23.5	1.7	28.8
Feb*	7.8	-0.4	7.6	2.3	0.0	51.5	22.7	1.6	27.2
Mar*§	6.2	-0.1	9.2	2.4	0.2	46.2	21.7	1.5	23.0
Apr*	2.8	0.5	4.4	1.5	-0.4	43.2	21.9	1.4	19.9
May*	2.9	0.8	3.2	1.6	-0.2	41.9	22.1	1.4	18.4
Jun*§	3.3	0.7	3.8	1.8	0.3	40.6	22.4	1.5	16.7
Jul*	2.5	0.5	2.7	1.4	0.0	39.5	22.3	1.3	15.9
Aug*	2.8	0.7	2.3	1.4	-0.1	39.2	22.5	1.2	15.5
Sep*§	3.7	1.0	3.0	2.9	0.0	39.0	22.1	1.2	15.6
Oct*	3.5	1.0	2.9	2.6	-0.1	38.5	21.6	1.4	15.5
Nov	3.5	1.0	3.0	2.4	-	37.6	20.6	1.4	15.5
Dec§	4.3	1.3	4.1	2.3	-	36.8	20.1	1.5	15.2
1985 Jan	3.4	1.0	4.1	2.1	-	35.0	19.4	1.5	14.1
Feb	3.5	1.0	4.5	2.0	-	33.0	18.9	1.5	12.6
Mar§	4.4	1.3	5.0	2.4	-	31.3	18.4	1.5	11.4
Apr	3.5	1.0	2.8	1.5	-	31.5	18.4	1.5	11.6
May	3.5	1.0	2.4	1.6	-	32.0	18.3	1.5	12.2
June§	4.4	1.3	2.2	1.8	-	33.7	18.4	1.5	13.8
July	3.5	1.0	1.5	1.4	-	35.3	18.5	1.5	15.3
Aug	3.5	1.0	1.6	1.4	-	36.8	18.6	1.5	16.7
Sept§	4.4	1.3	2.8	2.9	-	36.8	17.6	1.5	17.7
Oct	3.5	1.0	3.0	2.6	-	35.7	16.5	1.5	17.7
Nov	3.5	1.0	3.8	2.4	-	34.0	15.6	1.5	16.9
Dec§	4.4	1.3	5.0	2.3	-	32.4	15.2	1.5	15.7

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

Costs and economic effects

This section assumes an effective settlement of the dispute at the end of March this year. Clearly, there is a quite legitimate argument that the dispute is costless to the nation as a whole in the sense that potentially both the efficiency and inflation consequences of a concession to any group on uneconomic working would be much more costly to the country's long-run growth prospects than a few billion spent here or there on dealing with the dispute. In other words, as any economist should be aware, the **opportunity** cost of the dispute can be argued to be zero, if not a positive benefit. We are sure the Government looks at the cost exercise in this way and has done from the beginning.

Having said that, our latest estimate of the 1984/85 PSBR cost of the dispute, if it lasts until end-March, is £2½bn. This assumes the oil burn is reduced as in item (iv) and is after taking into account savings in investment spending in the industry, which are said to have accrued this fiscal year, compared to White Paper plans. For this reason, and for several others, figures of the gross cost of the dispute are not the same as figures for the PSBR cost of the dispute. We think the latter are the more important. Further, it should be realised that cost estimates are very tentative. This particularly applies to the cost of the after-effects once the dispute is settled. For example, the CEBG and NCB have a choice as to the extent to which stocks are rebuilt and investment plans re-instated. Our best guess is that a settlement at end-March would have a left-over PSBR cost of about £600m in 1985/86. On a weekly basis, we put the PSBR cost at £28m pw in 1984 Q2, £45m in 1984 Q3, £66m in 1984 Q4 and £55m in 1985 Q1.

On the macroeconomic front, Table 3 summarises the dispute's impact in 1984 and 1985 for the major items. The table again assumes an end-March 1985 settlement. Because of the increased oil burn recently, the estimated adverse impact on the current account has risen and in the final quarter of 1984 was running at a £4bn annual rate. The 1985 current account impact, shown in Table 3, is made on the basis of a somewhat lower oil burn as in item (iv) earlier.

Table 3: Macroeconomic impact (assumes end-March 85 settlement)

Item	GDP*	Industrial production*	Consumer spending*	Average earnings*	Current account (£bn)
1984	-1.1	-3.1	-0.4	-1.1	-2.5
1985	+1.1	+3.1	+0.3	+0.7	-0.9

*Impact on growth rates, percentage points.

Phillips & Drew

120 MOORGATE · LONDON EC2M 6XP

Telephone 01-628 4444 Telex 291163

CHANNEL ISLANDS: 17 Bond Street · St Helier · Jersey

Telephone Jersey (0534) 76061 Telex 4192202

UNITED STATES: Phillips & Drew International Ltd · Tower 56 · 126 East 56th Street · New York NY 10022

Telephone (212) 319-0220 Telex 225748

212-7354



MB

10 DOWNING STREET

8/1/85.

Record amount of Electricity
produced by C.E.G.B.

44,600 Mega Watts.

compared to previous
record of:

44,225 Mega Watts
(Jan 1980)

significant because:-

met with ease, and in no
way reduces ability to
exist without power cuts (D. Energy)

Prime Minister ②

54

Daily Coal Report - Tuesday 8 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	25
(iii) Some men present	67
(iv) On strike/picketed out	35

Kellingley (Yorkshire) has moved into category (ii).

Yesterday's final total of new faces was 1,250. Today's currently stands at 460. Of these 120 were in the North East, 107 in Scotland (where today's attendance set a new record), 93 in Derbyshire and 77 in Yorkshire.

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,796	+ 120
North East	(24 hr attendance)	3,664	+ 82
Yorkshire	(24 hr attendance)	3,406	+ 140
North Derbyshire	(24 hr attendance)	5,494	+ 405
Western	(24 hr attendance)	10,876	+ *
South Wales	(morning shift)	145	+ 4
Kent	(morning shift)	118	+ 118

* Comparable figure for yesterday not available.

Coal Movements

153,000 tonnes were moved yesterday.

28 coal trains ran.

Law and Order

Little change. No serious disorder reported today.

NUM

The NUM National Executive meets in Sheffield on Thursday. There are media reports of increasing divisions between the various factions. One report (unsubstantiated) suggests that the Lancashire area has instructed its delegate (Vincent) to call for new negotiations with the Board.

Line to Take

More miners are deserting the strike. More coal is being produced and another major pit is turning coal in Yorkshire. Strikers who return to work now can earn substantial sums and in most cases won't need to pay tax on earnings before April. In one month alone they could earn as much as £1,000 and qualify for holiday pay. This emphasises that the deal on offer to miners is a good one. It will pay miners to listen to the Coal Board and not to the militants and wreckers who are trying to destroy the industry for political ends.

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

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

-8 JAN 1985

12 1 2 3 4 5 6 7 8 9 10 11



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

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

8 January 1985

Dear Andrew

POWER STATION ENDURANCE

I attach the latest report covering the
Christmas period 17 to 30 December.

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

*Yours sincerely
M F Reidy*

M F REIDY
Private Secretary



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations over the two weeks 17 to 30 December amounted to 0.72mt (including non-NCB sources). Coal burn was 1.27mt and stocks fell by 0.55mt. The Board's stocks on Sunday night (30 December) were 13.71mt with a further 0.69mt at Scottish power stations.

2 Total NCB deliveries over the period amounted to some 0.97mt of which about 0.30mt went to customers other than power stations.

3 The average rate of deliveries to CEGB power stations over the whole period of the strike has been 0.53mt. The average over the past eight weeks has been 0.62mt.

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

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	late March	mid June
0.40	late April	early November
0.45	-	Winter 1985/6

Department of Energy

7 January 1985



SECRET

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P.01468

PRIME MINISTER

MISC 101(85)1st Meeting: Coal

You will wish to invite reports from:

- i. the Secretary of State for Energy on
 - the number of pits and miners working
 - coal movements and power station coal stocks over the holidays
(Mr Walker announced over the holiday that oilburn was being reduced and the Group may welcome an explanation)
 - pay negotiations with NACODS
(it was reported to the Press last week that at their meeting with the NCB on 11 January NACODS will reject the 5.2 per cent offer, that there will be a Delegate Conference on 16 January and a ballot of NACODS members after that; is industrial action a possibility?)
- ii. the Home Secretary on
 - law and order
(in particular the current levels of picketing, intimidation and vandalism)
 - progress in the courts in criminal cases
- iii. the Secretary of State for Transport on
 - the attitude of the rail unions
(is a confrontation likely over the reported 30 per cent pay claim?)
- iv. the Solicitor General on
 - the current state of play on civil actions

S. 4/10/85
Dunham



SECRET

- v. the Parliamentary Under Secretary of State for Scotland
(Mr Ancram) on
- the handling of recent allegations by Labour MPs
about NCB inaction to save Polkemmet.

Next meeting

2. There will be an opportunity for discussion under Industrial Affairs at Cabinet on Thursday 10 January. The next meeting of MISC 101 is at 10.30am on Monday 14 January.

PLG

P L GREGSON

7 January 1985

SECRET

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Daily Coal Report - Monday 7 January 1985

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	24
(iii) Some men present	68
(iv) On strike/picketed out	35

By 5.00 pm a total of 1,203 new faces had reported back - a reasonably encouraging figure given the adverse weather conditions. This was the biggest single day's return to work since November 19.

Of these new faces 363 were in the North East, 247 in Derbyshire, 243 in Yorkshire and 210 in Scotland. Detailed area attendances were as follows:-

			<u>Change on</u> <u>last Monday</u> <u>before Xmas</u>
Scotland	(morning shift)	2,676	+ 262
North East	(morning shift)	3,582	+ 459
Yorkshire	(morning shift)	3,266	+ 286
North Derbyshire	(24 hr attendance)	5,089	+ 777
Western	(morning shift)	6,342	+ 171*
South Wales	(morning shift)	141	+ 16
Kent	(morning shift)	Pits closed today	

* Change on last available morning shift figure for 10 December.

Coal Movements

Confirmed figures for last week were also encouraging. Over the three working days to Friday 455,500 tonnes were moved.

39 coal trains ran on Friday.

Law and Order

There was minor skirmishing in a number of areas. However in a more serious incident at Frickley (Yorkshire) 200 demonstrators threw missiles at police. One officer was hit on the head by a brick. There were 4 arrests.

Nine miners and a farmer have been jailed at Derby Crown Court after pleading guilty to charges arising from the burning of Coal Board vehicles last August. One miner, with previous convictions, was sentenced to 3 years, and the others to 30 months.

NUM

Predictably Scargill claimed that the strike remains solid. He disputed the back to work figures and also claimed that they fell well below Coal Board expectations.

At a rally at Polkemmet (Scotland) McGahey reportedly said the union was prepared to resume negotiations with the Coal Board, but was also quoted as saying "there will be no sacrificial lambs".

Lancashire Area Secretary, Sid Vincent, fresh from his holiday in Tenerife, was given a vote of confidence by the Lancashire Executive.

Striking miners today received a "substantial cheque" from "trade unionists" in Afghanistan. One of the prime movers in this appears to have been Mr Ron Brown, the Member for Leith, who is Chairman of the "Friends of Afghanistan Society".

Line to Take

Stress advantages of returning to work now - see NCB advertisement circulated with Friday's report.

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

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

unb
11/11



*Papers are in Ck
under
Bennion. sub*

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

*(pps marked out
to CF 9/11) 7/11*

4 January 1985

Dear Mr Bennion

will request, if required

The Home Secretary has asked me to thank you very much for sending him a copy of your letter of 5 November to the Attorney General, and of your article about mass picketing and the Conspiracy and Protection of Property Act 1875, which he found of great interest.

As you will have seen, the number of prosecutions for offences under section 7 of the 1875 Act has in fact grown considerably during the current miners dispute. It is not of course for the Home Secretary to direct the police in the exercise of their powers of arrest and prosecution. He does agree, however, that there is a case for creating a greater public awareness of the existence of the effect of section 7 and has it in mind to seek an opportunity of drawing attention to this.

The fact that offences under section 7 are not at present arrestable and that they carry relatively low penalties is of course a drawback to their use; and that is one of the issues that the Home Secretary has under consideration in his review of the public order law.

Copies of this letter go to John Ringguth in the Law Officers' Department and to David Barclay at No 10.

Yours sincerely

N A PANTLING

Francis Bennion, Esq

7 JAN 1985

11 12 1
10 6 2
9 4 3
8 7 5
6 5 4

50

Prime Minister ②

AT 4/1

mb

DAILY COAL REPORT - FRIDAY 4 JANUARY 1985

	NUMBER	PLUS ON HOLIDAY
(i) Working normally	46	1
(ii) Turning some coal	23	1
(iii) Some men present	56	12
(iv) On strike/picketed out	32	3

The only change in these totals from yesterday is that one pit in North Yorkshire, Ackton Hall, is taking a rest day today.

86 New faces reported back this morning. With yesterday's 24 hour figure of 251, the total number of new faces this week is 705 - more than any week in December.

The number of men working in South Wales today was 136. This was the highest figure since the strike began.

The area breakdown of new faces this morning was:-

North Derbyshire	36
North East	31
South Yorkshire	7
North Yorkshire	6
Western	3
Barnsley	2
Doncaster	1

COAL MOVEMENTS

Yesterday was a good day given the holiday season. 37 coal trains ran, 30 of these being to Midlands power stations.

PICKETING

Yesterday's picketing was somewhat heavier than recently. 400 pickets assembled at Seaham colliery in Durham, and 300 at Easington colliery, also in the North East. Just before midnight 150 pickets assembled at Eppleton colliery near Sunderland, although working miners were not due till around 8.00 am. Police were pelted with stones and bottles, and telegraph poles were uprooted to form a barricade. 13 arrests were made. This morning 200 pickets assembled at Easington and 400 at Vane Tempest but there were no serious incidents.

There has also been disorder in the Kent coalfield. Yesterday there were scuffles between police and 100 pickets at Tilmanstone colliery. One arrest was made and four policemen were slightly injured. At Snowdown colliery yesterday, 60 pickets assembled, five arrests were made and one policeman was slightly injured. This morning there was further disorder at Snowdown - 200 pickets appeared and 6 were arrested.

West Yorkshire police are investigating an arson attack on the home of a working miner at Whitwood, near Castleford. A cloth soaked with inflammable liquid was set alight and pushed through the letterbox. Fortunately the fire was contained to the doorway and the damage caused was estimated at £100.

FURTHER APPEAL TO MR KINNOCK

Mr Bill Goode, NUM agent in Gwent, has called on Neil Kinnock to follow up his visit to the Celynon South colliery picket line (reported yesterday) by keeping his long-standing promise to arrange a public meeting in his constituency in support of striking miners. This follows Eric Heffer's attack on Mr Kinnock on Tuesday, when he accused the Labour Leader of failing to show full support for the pitmen.

LINE TO TAKE

The NCB hope for a further substantial return to work on Monday, the first full day back after the holidays. The time has come for those miners remaining on strike to recognise that they will gain nothing, and lose a great deal, if they do not join the very considerable number of miners now working in the industry.

A copy of the full page advertisement being placed by the NCB in the popular press this Sunday is attached.

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

ENQUIRIES: John Neilson, SoS for Energy's Office
 (01-211 6070).

Friday 11 June
FREE
EXPRESS
NEWS of the 100th

Sunday Sun (12 June)
Sunday News (12 June)

WHY IT MAKES SENSE FOR A MINER ON STRIKE TO CALL IT A DAY TOMORROW.

Now that 1985 has begun, we ask every miner who's on strike to remember one significant fact.

Our offer is one of the best ever made to any group of industrial workers.

It includes: No compulsory redundancy. The guarantee of a job for every miner who wants to stay in the industry. A 5.2% increase on grade rates backdated to November 1 1983. A commitment to invest hundreds of million pounds every year to create new long-term jobs.

It is our final offer and we believe it is a fair one.

But your leadership in the NUM refuse to give you a chance to express your own view, in a ballot.

The union's overtime ban, started 14 months ago, and strike action imposed 10 months ago, have now lost each miner who has not returned to work, an average of more than £7,000 in earnings.

More and more miners are realising there is nothing to be gained by staying out on strike.

70,000 NUM members have already made their decision. For them the strike was over in 1984. Miners are now working at 148 of Britain's 174 collieries.

Wouldn't it be better to start 1985 by putting the strike behind you and joining them back at work?

- In most cases you won't need to pay tax on your earnings before April.
- Four weeks' work will qualify you for holiday pay.
- In your first full month back at work you could earn take-home pay of as much as £1,000.

So contact your manager now about the transport arrangements for returning to work tomorrow.

NCB

Help us secure your future. Join the miners back at work.

Prime Minister (2)

AT
3/1

49

Copy No | of 19

DAILY COAL REPORT - THURSDAY 3 JANUARY 1985

	<u>Number</u>	<u>Plus on holiday</u>
(i) Working normally	46	1
(ii) Turning some coal	23	1
(iii) Some men present	57	11
(iv) On strike/picketed out	32	3

235 new faces appeared this morning. Yesterday's 24 hour total of new faces was 368. Scotland remains virtually shut down today - only two pits, Barony and Killock, have some men working. Elsewhere many miners are still taking holiday and rest days. The area breakdown of new faces is:-

North Derbyshire	77
South Derbyshire	44
North East	42
North Yorkshire	35
Barnsley	15
Western	9
South Wales	5
Doncaster	4
North Nottinghamshire	3
Coal Products	1

COAL MOVEMENTS

19 coal trains ran yesterday. Movements are not expected to return to pre-Christmas levels until next week.

PICKETING

No incidents were reported this morning.

Neil Kinnock spent 90 minutes today with around 40 striking miners at Celynon South colliery in his South Wales constituency. He watched about 30 miners report for work at the pit. The visit was in response to left-wing criticism that he had been slow to support striking miners by appearing on an NUM picket line.

MORE PITS PRODUCING COAL

The 4 North East collieries which commenced production yesterday - Wearmouth, Herrington, Vane Tempest and Whittle - continued to mine coal this morning. The NCB also hope to resume production shortly at the massive Kellingley colliery in North Yorkshire.

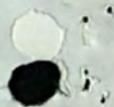
LINE TO TAKE

As yesterday.

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

ENQUIRIES: John Neilson, SoS for Energy's Office
(01-211 6070).

Not ind: Coal; Pt 15.



5001 N.Y.L. 8.2

DAILY COAL REPORT - WEDNESDAY 2 JANUARY 1985

[Handwritten signature]

ATTENDANCES

321 new faces reported back on this morning's shift. No overall attendance figures will be published by the NCB this week as so many pits and individuals are on holiday. There is a public holiday in Scotland today, and those normally working at pits in the North Yorkshire, Doncaster and Barnsley areas are taking rest days. The breakdown in new faces by area is:-

North Derbyshire	137
North East	132
Western	31
South Yorkshire	8
South Wales	6
South Midlands	3
North Notts	1
South Notts	1
Coal Products	2

There were also improved attendances by members of NACODS. 32 went in for the first time at Ellington in the North East, and 30 for the first time at Shireoaks in South Yorkshire. The number of NACODs at Wearmouth in the North East, 31, was the highest yet.

COAL MOVEMENTS

Last Friday provided an added bonus. 26 coal trains moved to power stations, even though none were scheduled.

PICKETING

No incidents were reported this morning.

FOUR MORE PITS PRODUCE COAL

4 pits in the North East started producing coal for the first time since the dispute started today. By midday, coal was being brought to the surface at Whittle, Vane Tempest and Ellington collieries. At Wearmouth colliery in Sunderland, coal was produced and stored in underground bunkers.

LINE TO TAKE - MR WALKER'S NEW YEAR STATEMENT OF 29 DECEMBER

I have been informed by Sir Walter Marshall, chairman of the Central Electricity Generating Board, that there will be no power cuts during the whole of 1985 with the coal production that has now been achieved. Improved coal productions, particularly from pits which have returned to work, is sufficient for the generating board to begin reducing its oil burn and increase coal-fired power generation.

How those miners forced to strike without a ballot have been deceived. Mr Scargill told them last February that the stocks of coal at the power stations would run out by the end of April. In June he predicted power cuts in July or August. Now in the middle of winter, the whole country and every miner knows there have been no power cuts in 1984 and there will be none during 1985.

What does Mr Scargill offer the miners - another year of strikes as disastrous as 1984? Those miners, deprived by his actions of a ballot, have lost £7,000 in wages. His actions have divided the NUM, and divided mining communities. Mob picketing has resulted in thousands of arrests. Markets at home and abroad have been lost. Coal faces in good pits have been destroyed.

1984 has been the most disastrous year in the "proud history" of the miners' union.

SECRET AND PERSONAL

No wonder that 70,000 NUM members have returned to work and thousands more would already have returned had it not been for the violence and intimidation. Mr Scargill incredibly suggests that Mrs Thatcher and I should order the coal board to have further talks with him. We have witnessed the NCB having talks with Mr Scargill on seven occasions during the past nine months. We witnessed talks under the independent auspices of ACAS, which suggested a compromise proposal that the coal board and the government accepted, and Mr Scargill rejected.

On every one of the seven occasions the NCB has sought an agreement and on every occasion Mr Scargill has boasted that he has not shifted an inch from his absurd and impossible demand that every pit, no matter how uneconomic, must be kept in being until the last ton of coal is exhausted or the pit is unsafe.

Why on eighth negotiation with somebody who continues to boast of his refusal to move an inch since he organised this dispute nine months ago?

I wish 1985 to be a year of recovery for the miner, his family, his community and his industry.

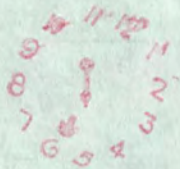
A swift return to work and miners can have a year of good pay, massive capital investment programmes destroyed by the strike can be swiftly restored, and coal faces in danger can be saved.

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

ENQUIRIES: John Neilson, SoS for Energy's Office (01-211 6070).

SECRET AND PERSONAL

52 JAN 1965



Covering SECRET

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Copy No 2 of 4

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

[Handwritten signature]

01 211 6402

*PA
31/12*

Prime Minister:

Coal consumption

*was a net 170,000
tonnes in the week to
28 December 1984*

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

22 December.

Dear Andrew

[Handwritten signature]
24/12

ENDURANCE

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

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

Yours ever

John

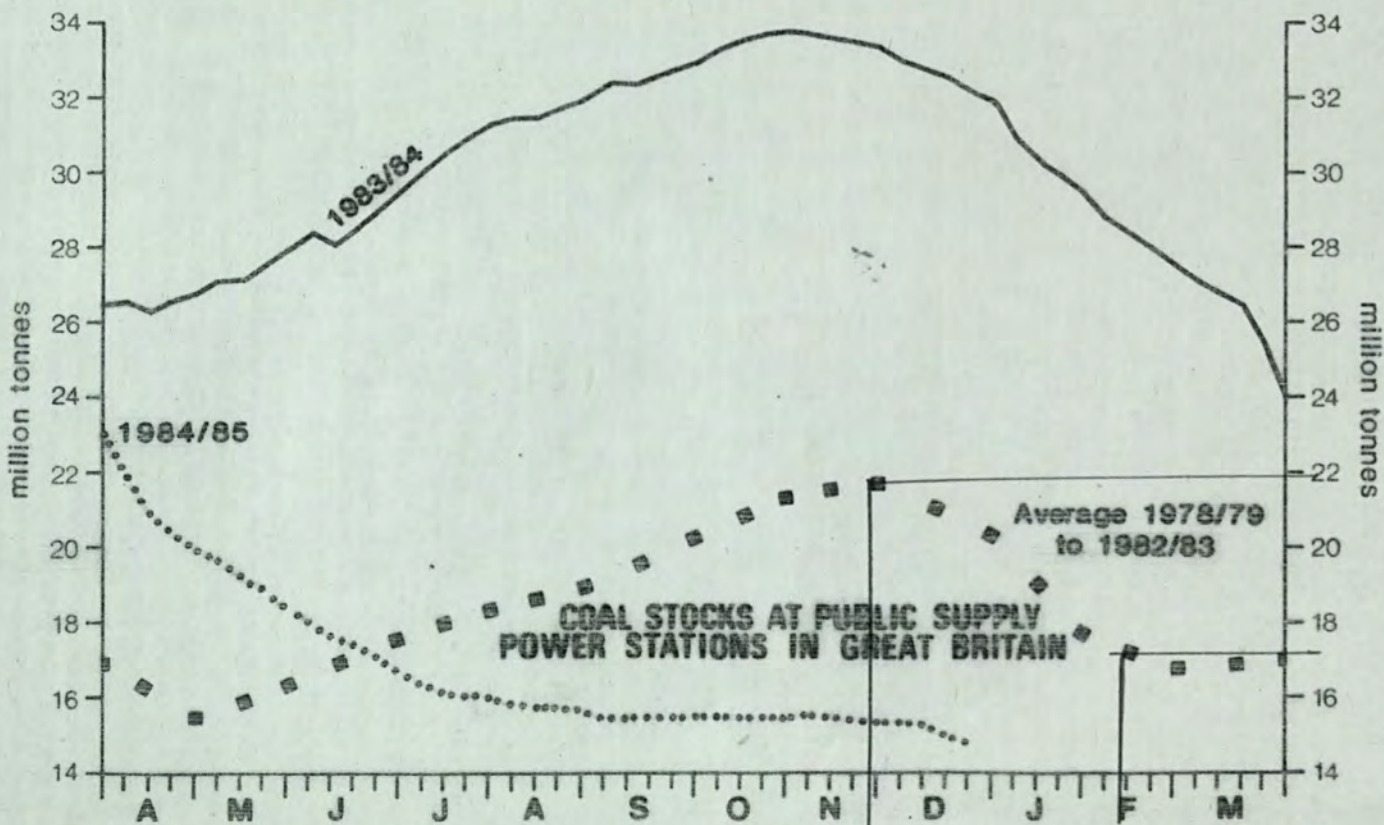
J S NEILSON
Private Secretary

WEEKLY COAL AND POWER STATION STATISTICS (1)

S Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928
Week ending 24.12.83 : 1.12.84 8.12.84 15.12.84 22.12.84

COAL			24.12.83	1.12.84	8.12.84	15.12.84	22.12.84
PRODUCTION (m. tonnes)	deep mines+		1.64	0.60	0.63	0.65	..
	opencast+		0.25	0.28	0.29	0.34	..
	TOTAL		1.89	0.88	0.91	0.99	..
PRODUCTIVITY(2) (tonnes/manshift)	'overall' o.m.s		2.31	2.14	..	..	..
	'production' o.m.s		4.72	11.17	..	..	..
UNDISTRIBUTED STOCK (m. tonnes)		TOTAL	23.99	20.91	20.84	20.75	..
COAL STOCKS (m. tonnes)			31.91	15.27	15.20	14.97	14.81
	COAL CONSUMPTION		1.76	0.77	0.77	0.95	0.83
	COAL RECEIPTS		1.49	0.72	0.70	0.72	0.66
OIL STOCKS(3)			1.31	1.20	1.17	1.19	1.33
	OIL CONSUMPTION(3)		0.05	0.62	0.60	0.57	0.59
	OIL RECEIPTS(3)		0.06	0.56	0.54	0.53	0.68
ELECTRICITY SUPPLIED (4) (Gwh)	Nuclear		949	925	1,033	1,039	1,105
	Other Steam		4,078	4,151	4,140	4,308	4,214
	TOTAL		5,027	5,077	5,172	5,348	5,319
	TOTAL - temperature corrected		5,235	5,287	5,398	..	..

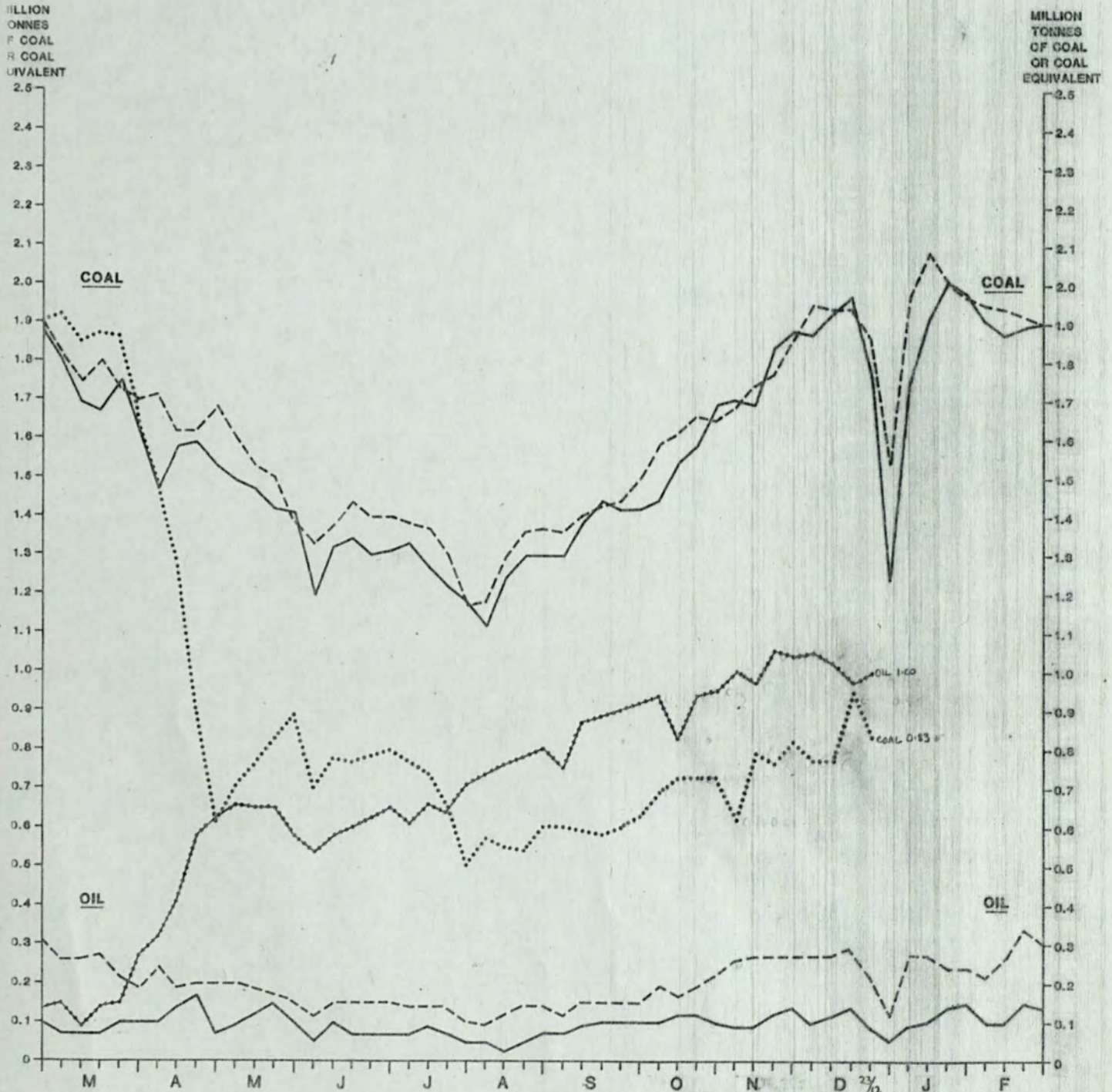
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
.. data not yet available. + includes licensed production.



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



~~CENO~~

PRIME MINISTER

COAL INDUSTRY BILL

I wrote to the Lord President on 13 July, with a copy to the Chancellor, alerting him to the possible need for a Coal Industry Bill in the 1984/85 Session. It is now clear that the Bill will be needed in this Session and I am writing to you to seek policy approval.

In July we envisaged a limited measure, simply increasing provision for Deficit Grant payments. However, as the Lord President said in his reply of 30 July when approving a contingent place for the Bill in the 1984/85 Session, it would be desirable for the Bill to make at least limited forward provision for the needs of the NCB. It will be some time after the strike before the planning necessary to establish more radical, longer term options for the coal industry will be complete. I therefore propose that, as an interim measure, we use this Bill to extend the facility to pay Deficit Grants, Pit Closure Grants and RMPS by a year from March 1986 to March 1987, thus avoiding the need for any coal legislation in the 1985/86 Session. By the 1986/87 Session we should be much clearer where we want to go.

The amount by which the financial ceilings for these various provisions will have to be raised is inevitably uncertain at the moment. I will need to seek Ian MacGregor's advice nearer the time of introduction and settle the details with the Chancellor. The figure for Deficit Grant is likely to be substantial, primarily because of delay to closures this year; a more modest increase should see us through on RMPS and the existing provision may well suffice on Pit Closure Grants. Inevitably the Bill, though short and very much along the lines of the 1983 Act, will prove contentious, given the sums of money involved. I would propose to include staged approval of the Deficit Grant provision through one or more Orders laid before the House, as in the 1983 Act.



Both the Chancellor and the Lord President favoured introduction as late as possible in the Session. Firm decisions on timing are, of course, difficult at present. To meet the NCB's financing needs, the fresh authority should be in place as early as possible in the 1985/86 financial year. But my understanding is that, provided Second Reading takes place by then, we could use the authority of the Appropriations Act to make payments in the early part of 1985/86 if, as now seems inevitable, the existing ceiling on Deficit Grant payments has been reached during the present financial year. It would be highly desirable, however, to have Royal Assent before the Summer Recess.

I would accordingly be grateful if you would give policy approval to the Bill I propose. I am copying this letter to the Lord President, the Chancellor and Sir Robert Armstrong. I am also sending a copy to the Leader of the House and would be grateful if he would indicate, subject to your policy approval, consent for drafting to go ahead. As the proposed Bill would be very similar to the 1983 Act, the task of drafting should straightforward.

SECRETARY OF STATE FOR ENERGY
21 December 1984

copy no: ① of 6.

Nat Ind: Coal Pt 15



COORDINATOR

1950

1950

SECRET AND PERSONAL

46

Daily Coal Report - Friday 21 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	20
(iii) Some men present	72
(iv) On strike/picketed out	35

Run Mark
DR
21/12

Eleven new faces reported back this morning. The Yorkshire area set a new 24 hour attendance record - surprising and welcome news. Detailed attendance figures were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,464	+ 2
North East	(24 hr attendance)	3,156	+ 23
Yorkshire	(24 hr attendance)	3,036	+ 25
North Derbyshire	(24 hr attendance)	3,824	- 691
Western	(24 hr attendance)	10,343	- 269
South Wales	(morning shift)	128	+ 3
Kent	(morning shift)	108	no change

Coal Movements

The Board provisionally estimate that 900,000 tonnes will be moved this week.

43 coal trains ran yesterday.

Picketing

Generally light and without major incident, though there are no signs that picketing activities will cease over the holiday period.

NUM Nottinghamshire Area Rule Change

Scargill has made it clear he intends to fight the Nottingham area decision reported yesterday, though by what means is not yet clear.

Sequestrators

The NUM has won the right to unfreeze part of the £2.7 million of its assets held in a Dublin bank. The exact sum in question is reportedly to be decided by the High Court today. Counsel for the sequestrators has indicated that they will appeal against this decision.

The TUC has been ordered by a High Court judge to give details of its financial dealings with the NUM since 1 January. The National Union of Railwaymen has been given until 16 January to give details of a £100,000 loan to the NUM.

Line to Take

Striking miners should consider carefully this Christmas what 1985 holds for them. There is no prospect that Scargill and his fellow militants can win this strike. More than 100,000 in the coal industry have already voted decisively with their feet to reject everything he stands for. Pits are working, power stations are working, industry at large is working. It will be a long, fruitless, miserable winter for those miners who continue to support his political campaign. Far better instead, to accept the best offer made by the Coal Board since nationalisation and to return to work as soon as the pits re-open after the holiday period.

SECRET AND PERSONAL

Daily Coal Report

Most of the working pits will shut down over the holiday period and little activity is expected. Accordingly the next scheduled edition of the daily coal report will be circulated on Wednesday 2 January. Earlier reports will of course be made if major events unexpectedly occur.

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

45

Daily Coal Report - Thursday 20 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	20
(iii) Some men present	72
(iv) On strike/picketed out	35

JF

20/12

Wistow (N. Yorks) has moved from category (iii) to (ii).

16 new faces reported this morning. Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,462	+ 13
North East	(24 hr attendance)	3,133	no change
Yorkshire	(24 hr attendance)	3,009	- 7
North Derbyshire	(24 hr attendance)	4,515	- 158
Western	(24 hr attendance)	10,612	- 50
South Wales	(morning shift)	125	- 1
Kent	(morning shift)	108	- 3

Coal Movements

185,000 tonnes were moved yesterday.

40 coal trains ran.

Law and Order

Generally quiet though at the Abercwnboi phurnacite plant 10 police were injured and 8 arrests were made following a

demonstration by 500 pickets. Home Office information is that the pickets were promised £15 a man for attending.

NUM Nottinghamshire Area Rule Change

In a move of considerable potential significance the Notts Area Council has approved rule changes to give the area greater independence from the national NUM. An attempt to prevent this change failed when Mr Justice Warner refused to grant a temporary injunction to the NUM National Executive. There is, however, to be a full hearing of the National Executive's contention that the Notts move is unlawful. The Judge said this should take place as quickly as possible.

NUR

Department of Transport report that British Rail management are satisfied they have contained the industrial problems at their Coalville depot.

TUC

As promised at MISC 101, the transcript is attached of remarks made by Norman Willis following his meeting with the Secretary of State for Energy on 14 December.

Line to Take

No change.

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

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

WILLIS PRESS CONFERENCE - 14 DECEMBER

We have of course met the Secretary of State. We welcome the discussion and welcome having the meeting and he's been glad to talk to us, and there will be every opportunity for us to talk again if and when that appears to be helpful.

As far as the outcome ... I think I'm bound to say it's disappointing, no really cheerful news coming out of it. We have been trying for some time to get ... we recognise the fact that there will have to be an agreed view about the March 6 proposals and the closure of the five pits before any chance of a return to work.

There are many other ideas and many other areas that have been discussed over long, long hours. What we've been trying to put in very broad terms is the possibility of the Government encouraging the idea that there should now be concentration on the future of the industry. In all the discussions that have been held, both sides have always emphasised the importance that they give to an efficient expanding industry. And what we've been trying to do is to see if the Government is enthusiastic about the idea that we concentrate on that future, get an agreed return to work, and then look at the Plan for Coal with the parties doing that job themselves, perhaps setting a particular agreed date between them so there is no lack of urgency and seeing if some of the very important issues and difference that have existed between them can be resolved in the light of that process.

The Minister is obviously not enthusiastic about just going ahead in that direction. All sorts of contacts can no doubt be made.

But it is disappointing .. I think a real problem exists that there is a disposition to feel that in advance of any negotiations about the sort of broad ideas that we've got in mind or anything else that the NUM should indicate - advance flexibility or whatever you care to call it about these proposals.

Now we've explained to the Secretary of State that that poses enormous difficulties for any negotiator on the first day of a dispute. And when a dispute has been on a long time it does pose real practical difficulties and so we will of course be talking with the NUM.

We've asked the Minister to consider all the points we've put to him, particularly our deep concerns - which many people share - about the future of the industry and everything that's happening in the coal fields and the coal communities. So we will be pursuing those. We shall intensify our thoughts, work out the best way to go about it, but I think 1984 was not the best year for a lot of people and we're very keen to go into 1985 with a bit more optimism than I'm afraid I have to feel at the moment.

As far as the TUC is concerned we certainly shan't be backing away from our determination to find - as I've said so often and it's still so true - a negotiated settlement which is acceptable to the parties concerned, which the only basis on which we feel we can establish better circumstances in the coalfield communities and a good future for the coal industry.

Q. Will there be talks next week?

A. We are going to talk first of all to the NUM ... give them a report about our experiences this morning. We've urged and do urge on everyone the concern, the need to have talks. At the moment that will be for the two parties concerned to see how they wish to develop it further.

I'm sure that there is a need for that to happen.

Q. What do you feel you've learnt about the Government's involvement and attitude?

A. I think what I've learned about them ... I think that there is a very wide appreciation of all the problems. Whether there is a total appreciation of the ways that you get into discussion about that, I'll have doubt that. We've tried again and we will try again.

Q. When you said that you wanted to concentrate on the future of the industry does that mean that you would accept pit closures yourself?

A. You'll have to wait for some of those answers. Of course what we've said .. no opposition to pit closures in line with the statements we've made. All the details - we always said this - have to be between the NUM and the NCB and how they would react to that situation. We're continuing to try to get those negotiations restarted because I believe that it's damaging if there's further delay and we're just going to have to press on it that area.

Q. But there's no immediate prospect of more talks as some people had thought, next week?

A. We have no information at the moment that there's going to be any talks but that would have to require consultation with the parties.

Q. Will you be meeting the NUM today?

A. No.



SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 7214

*Paul Martin*Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1*PM 20/12*

20 December 1984

Dear Andrew,

POWER STATION ENDURANCE

I attach the latest weekly report.

Copies also go to Margaret O'Mara and
Richard Hatfield.*Happy Christmas to all - the lights are still on!**Yours ever**John*J S NEILSON
Private Secretary



POWER STATION ENDURANCE

- 1 Coal deliveries to CEGB power stations last week were 0.72mt (including non-NCB sources). Coal burn was 0.93mt and stocks fell by 0.21mt. The Board's stocks last Sunday night (16 December) were 14.26mt with a further 0.71mt at Scottish power stations.
- 2 Total NCB deliveries last week were 0.96mt of which about 0.28mt went to customers other than power stations.
- 3 The average rate of deliveries to CEGB power stations over the whole period of the strike has been 0.53mt. The average over the past eight weeks has been 0.71mt.
- 4 The CEGB's estimate of the range of endurance outcomes is as follows:-

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	late March	mid May
0.40	early April	mid November
0.45	-	Autumn 1985

Department of Energy

19 December 1984

4
Prime Minister

CONFIDENTIAL

PRIME MINISTER

21/12
20 December 1984

CRIME AND THE COAL DISPUTE

I understood you to ask for a report before Christmas. Both the Police and the Home Office confirm a slowing down in the spate of crimes relating to this dispute. The decline is probably due to the fact that miners' pickets are not congregating in such large numbers but intimidation is still rife and the commission of serious offences is increasing. I attach the latest schedule of offences committed during this dispute.

The Courts

Ninety-eight per cent of the cases have been disposed of in the Magistrates Court and the remainder have been dealt with in the Crown Court. Altogether, 51 per cent of those arrested have had their cases heard and 11 per cent were found 'Not Guilty'. Stipendiary Magistrates have been appointed in eight towns and continue to sit in Chesterfield, Pontefract, Rotherham and St Helen's. The Lord Chancellor's Department is currently planning the appointment of more stipendiary Magistrates in two more towns and is responding to requests for help. No new additional assistant recorders are needed.

The Police

There is considerable evidence that local Constabularies

CONFIDENTIAL

are getting to grips with the problem and have adjusted to the demands of the situation marvellously. The police have welcomed new proposals for the use of computer technology which we discussed. A national computer is already in use tabulating the conduct of trouble makers. There is progress towards the apprehension of conspirators behind some of the intimidation.

The Public Order Review

The principal points which are likely to emerge from the Home Office Report which is due soon, are:

1. The police should be given additional powers to control static demonstrations including picketing.

2. There should be a revision of offences along the lines envisaged by the Law Commission Report with certain improvement. This will provide for serious offences from riot down to an offence of sober and disorderly conduct.

3. The Report will also deal with consequential areas such as protection of Embassies and the recovery of costs.

You may be interested that our discussion on violence is continued by Peter Utley on pages 45-47 of the attached paper (Flag A).

CONFIDENTIAL

- 3 -

Of Peter Utley's eight points, number one underlines Mr Kinnock's misuse of the language. Numbers 3-8 deal with pursuit, deterrence and punishment of terrorists. Number 6 makes an interesting point on the "martyrdom" of terrorists. He is broadly in favour of a determined solution in which more force is used both judicially and militarily.

H. Booth

HARTLEY BOOTH

PERSONS ARRESTED BY CATEGORISED OCCUPATIONS

<u>NUMBER</u>	<u>OCCUPATION</u>
8,189	Miners
7	Retired Miners
4	M.P.s (including MEP)
15	Transport Workers incl. Coach driver H.G.V. driver Railway Worker
69	Students in Academics School/College Students/Lecturers
5	Medical Workers incl. Nurses Hospital Workers
32	Non Manual Workers incl. Planning Officer Community/Social Worker Clerks
231	Manual Workers incl. Construction Workers - Welder Labourers - Electrician Refuse Collector- Builder Industrial Worker
1	Serviceman Royal Navy - Fire Service
10	Fireman
50	Housewives
210	Unemployed
2	Retired (Non miners)
10	Female (Other)
74	Not known/Given

} 82

8907

NUMBERS OF CHARGES BY TYPES OF OFFENCE

<u>NUMBERS</u>	<u>OFFENCE</u>
2	Murder
3808	Section 5 Public Order Act 1936
1623	Obstruct Police
619	Obstruct Highway
929	Criminal Damage
4	(a) Criminal Damage with Intent to Endanger Life
15	(b) Arson
317	Assault on Police
365	Assault - Actual Bodily Harm
38	Assault - Grievous Bodily Harm
204	Theft
18	Resist Arrest
47	Offensive Weapon
273	Conspiracy and Protection of Property Act - Besetting
30	Burglary
1	Handling Stolen Property
1	Drug Offence
170	Breach of the Peace
30	Breach of Bail Conditions
18	Attempt (Various Offences)
59	Drunkenness
509	Unlawful Assembly
18	Railway Offences
21	Affray
137	Riot
1	Incitement
15	Reckless Driving
12	Threats/Conspiracy to Cause Damage
3	Explosives Offence
3	Threats to Kill
2	Unlawful Imprisonment
216	Other Offences

9508

COURT SENTENCES IMPOSED

<u>NUMBER</u>	<u>SENTENCE</u>
19	Remand in Custody
106	Custodial Sentence - [Longest sentence 9 Months]
19	(a) Detention Centre [Maximum 6 months]
2	(b) Youth custody Order [Maximum 6 months]
1	Attendance Centre
9	Detained in Police Custody - [1 day]
53	Suspended Sentence - [Longest sentence 6 Months]
	<u>Fines</u>
6	Under £10
167	£10 - £24
319	£25 - £49
386	£50 - £74
503	£75 - £99
419	£100 - £149
92	£150 - £199
182	£200 and above
11	Community Service Order [80 hours]
2	Probation Order
330	Conditional Discharge/Absolute Discharge
1055	Bound Over to Keep the Peace
973	Acquitted
3004	Court Bail

} 2074

PERSONS ARRESTED PER FORCE AREA

N.R.C. NO.	FORCE	ARRESTS	CHARGED	CASES DEALT WITH	ACQUITTALS
		CUMULATIVE TOTAL			
6	CLEVELAND	58	53	53	6
7	CUMBRIA	25	5	5	0
8	DERBYSHIRE	1179	959	663	126
11	DURHAM	442	393	150	17
12	DYFED-POWYS	14	4	2	0
13	ESSEX	212	164	28	0
15	GREATER MANCHESTER	236	144	96	31
16	GWENT	212	209	118	39
17	HAMPSHIRE	11	11	0	-
19	HUMBERSIDE	98	60	37	5
20	KENT	267	247	145	56
21	LANCASHIRE	26	13	2	0
22	LEICESTERSHIRE	54	50	50	13
24	MERSEYSIDE	193	186	180	58
25	METROPOLITAN	133	116	67	12
28	NORTHUMBRIA	535	478	187	31
29	NORTH WALES	31	28	26	1
30	NORTH YORKSHIRE	157	140	114	12
31	NOTTINGHAMSHIRE	2374	1875	1086	341
32	SOUTH WALES	467	409	152	19
33	SOUTH YORKSHIRE	1256	1137	479	97
34	STAFFORDSHIRE	392	277	274	31
37	SUSSEX	5	4	4	0
38	THAMES VALLEY	3	3	0	-
39	WARWICKSHIRE	196	134	73	12
42	WEST YORKSHIRE	331	272	241	78
			7371	4232	985
<u>TOTAL</u>		<u>8,907</u>			

FALLACIES ABOUT VIOLENCE

T. E. UTLEY

Few activities are generally more boring and pretentious than the habit of listing and analysing the fallacies which prevail in current political discussion. Politics is not a contemplative art. Those who engage in it are obliged to talk and write incessantly, and that, perforce, means to talk and write a great deal of rubbish. Rhetorical flourishes, undistributed middles, sly little tacit assumptions are its stuff.

Normally, this does not matter, because the public just vaguely listens to what is said on both sides and gives its support to the chap whom it thinks (whatever the standard of his logic) will be able to get something relatively acceptable done.

But there are occasions when the clichés of political controversy amount to something like a conspiracy, partly conscious and partly unconscious, to corrupt the public mind and direct it to courses designed to destroy the public good. I think this is exactly what is happening to us over the question of terrorist violence, and that it is, therefore, permissible to present to you eight startling fallacies (there are probably a good deal more) by which the discussion of this question is now dominated. Much that follows will be familiar, but its total effect may not.

1 That violence is a word that can properly be used to signify any kind of evil resulting from human wickedness. Mr Kinnock, at the Labour Party Conference this year, supplied a classic illustration of this fallacy by giving a list of the various forms of "violence" to which contemporary society is exposed, ranging from "ugliness" and "unemployment" (placed high on the list) to beatings-up on the picket line, which was placed significantly near the bottom of the list.

The function of this particular fallacy is to suggest a moral equivalence between the unlawful use of physical force by one citizen against another, and a crime of supporting or acquiescing in economic and social policies thought to be unjust. The same object could, of course, be achieved by simply saying that having perverse views about the economy is as sinful as kicking working miners and threatening to murder their wives; but thus baldly stated the proposition would not be widely believed.

Hence, the absurd extension given to the meaning of "violence". Very often something more than a moral equivalence between disparate offences is implied by those who use this particular trick of the trade. Insofar as thuggery on the picket line is seen as a general protest against the corruption of society and the errors of monetarism, it assumes a defensive or retributive quality, and this of course confers on it a positive moral advantage.

2 That there is no distinction in terms of morality between public force properly applied to the defence of legitimate authority and private force exercised in defiance of that authority. It is true that, in some of its definitions, the word "violence" can be used simply to mean extreme force (e.g. a violent storm), but in a political context the word always has contained strong overtones of illegitimacy, as its connection with the verb "to violate" clearly shows.

A policeman behaves violently when he uses more force than is strictly necessary in the discharge of his duties, a rioter is guilty of "violence" when he uses any force at all. This is not to say that it can never be morally tolerable to riot or that it is always just and prudent to use even necessary force in defence of the law. However, in order to make rational discussion of these matters possible it is necessary to distinguish between public force exercised lawfully and private force exercised unlawfully. The object of blurring that distinction is too obvious to need description.

3 That most terrorist offences are the work of psychopaths, who, lacking the capacity for restraint, must be assumed to be unsusceptible to the fear of punishment. The overwhelming majority of terrorist offences are, on the contrary, the calculated work of highly rational men and women who are, perhaps, by virtue of their very cold-bloodedness, particularly likely to be influenced by rational calculation of the probable consequences of their actions.

Attempts to destroy whole cabinets, for instance, are not the result of uncontrollable tantrums or deep psychiatric deficiencies. However, the inevitable consequence of believing this fallacy is the assumption that there is very little that can be

done about terrorism by way of punishment. It also provides terrorists (though it is often not intended to) with the cover supplied by the notion of "diminished responsibility".

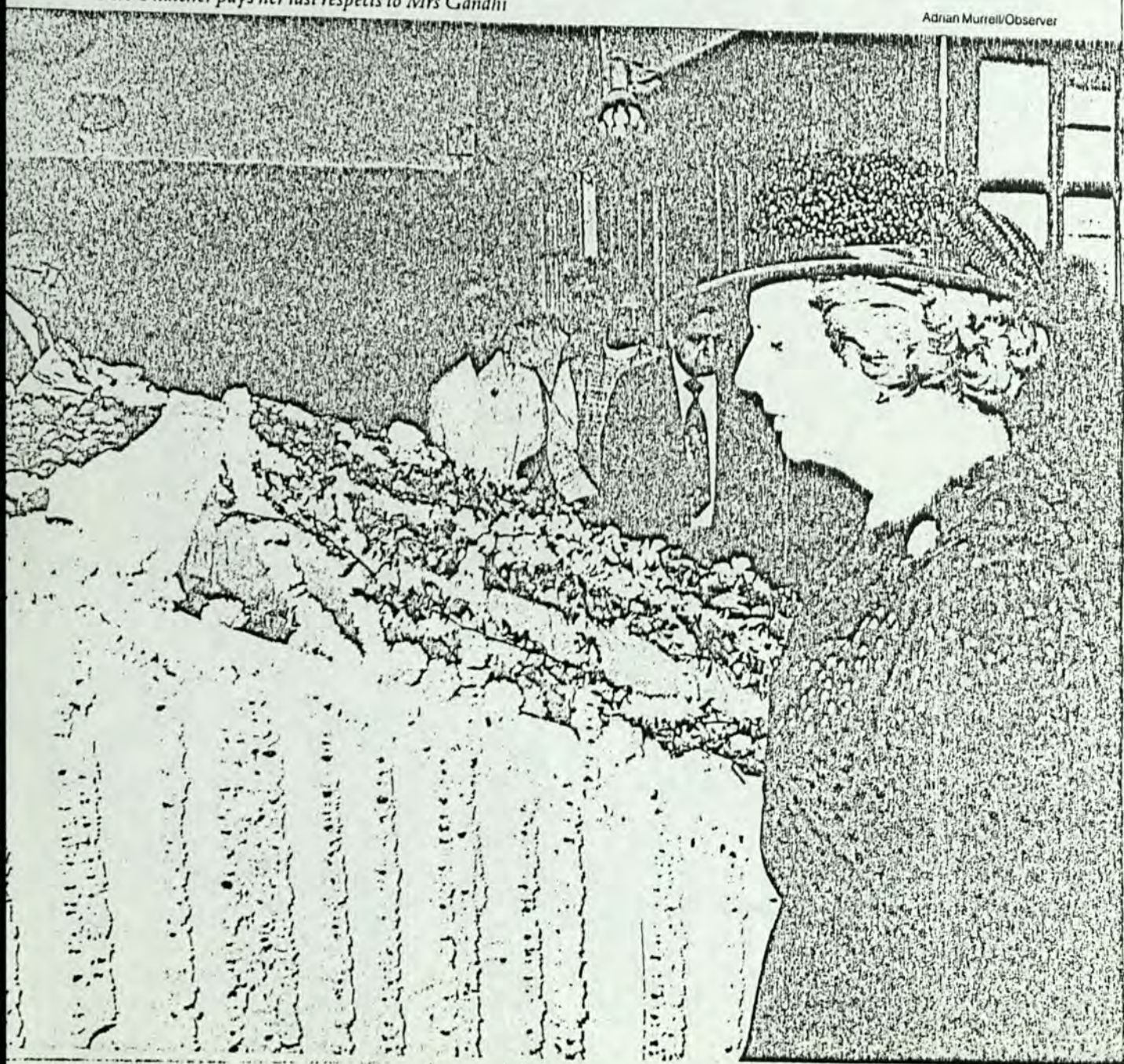
4 That terrorist acts, when not committed by psychopaths, are committed by idealists who will not be deterred by fear. In fact, many terrorist acts are committed by paid agents, who receive substantial rewards for the risks to which they expose themselves, make a good living on the side by such activities as bank robbery and the illicit sale of drugs and, occasionally (thank God) decide that the time has come to switch employers and sell their information to the State. Such men cannot be assumed to be unaffected by all considerations of personal risk.

As for those terrorists who are "idealists", the assumption that their offences are on a different moral plane from those committed by common criminals, in that they spring not from ordinary human vice but from a misguided interpretation of the public good, is also rubbish. Manifestly, pride, arrogance, vanity (the love, for example, of high-sounding military titles bestowed by unlawful "armies") are motives often to be discerned among "high-minded" terrorists. It is not self-evidently true that men capable of this degree of human frailty and egocentricity will always be immune from fear.

As a result of this fallacy, however, western society as a whole now feels more compunction about punishing those whose crimes are directed against the whole of society than about punishing

Mrs Thatcher pays her last respects to Mrs Gandhi

Adrian Murrell/Observer



those whose actions are dictated by obvious self-interest and unwillingness to resist the temptations to which all mortal flesh is exposed.

5 That terrorism can never be defeated by military means because so long as even one or two terrorists survive they will be capable of committing serious crimes which cannot be anticipated. Pressed to its logical conclusion this argument would lead to the abolition of the criminal law: it is impossible to envisage a society from which theft or murder could be wholly eliminated; but that does not mean that punishments for these offences do not reduce the number of times they occur.

6 That punishing terrorists severely will create martyrs and thereby invariably promotes the terrorist cause in question: an acid test of the validity of this rule can be applied by asking a number of Irish nationalists and republicans the name of the last man to be hanged in Britain for an IRA murder. This is not a fact buried in the obscurity of time; the event took place only some 40 years ago; but the identity of the "hero" (like that of many others of his kind) is now totally forgotten by his compatriots. A more recent ironic comment on the martyrdom theory was provided by the legend said to have appeared on a wall in Northern Ireland after the death of the hunger-striker Robert Sands: "We'll never forget you Jimmy Sands."

This is not to say that hanging terrorist murderers will never prompt reactions injurious to security. There is a danger that such "victims of the law" will be promoted to the terrorist hagiography at least for a while and that the effect of this will be to increase the ranks of terrorism. This danger however has always to be weighed against other considerations; a dead terrorist may be a martyr but he has been rendered incapable of further terrorist acts and the temptation of his colleagues to take hostages in order to secure his release has been removed. What matters is that arguments about the expediency of dramatic punishments for terrorists cannot simply be disposed of, as they now commonly are, by the parrot-like repetition of phrases about making martyrs.

7 That terrorism springs from sociological causes (e.g. class and ethnic grievances) and that the way to defeat it is accordingly to remove these grievances rather than to concentrate on producing an effective military response.

That such causes do contribute to terrorism is an undeniable fact but there is an error about time-scale in the manner in which this argument is normally presented. It is an error reminiscent of Rob Wilton's famous sketch about the dour, Yorkshire fire brigade officer confronted by an

hysterical lady demanding the despatch of the brigade to extinguish a fire in her house and (if I remember rightly) to save a large number of her children trapped there. Nothing, says the fireman, must be done in a panicky way; the relevant form must be filled in first. After much time spent in searching for the form and extracting the information for which it calls, the fireman exclaims with amused astonishment that he has been a real ninny, since this particular form is the one which should be filled in after the fire has been put out.

Reforming the institutions of Northern Ireland may be a thoroughly praiseworthy venture and could even reduce the possibility of further outbreaks of republican terrorism in generations to come; but to advance it, by implication, as an immediately effective way of disarming the man who is about to place a bomb in the High Street is madness on the scale of Wilton's fireman. What is more, there are circumstances in which embarking on reforms in the middle of a terrorist campaign gives immediate encouragement to terrorism by suggesting a willingness to concede to violence what has hitherto been denied to justice. In many cases, the time for reform is when the fire has been put out.

8 That proof of oppression is a sufficient defence for terrorism in that it cannot be right to uphold a regime whose behaviour is contrary to natural justice. Theology long ago exploded this fallacy. As with the doctrine of the just war, so with the notion of the just rebellion. To make a rebellion just, several conditions must be fulfilled: there must be a reasonable chance that the rebellion will succeed in its object, that it will succeed at a cost which is not too high when measured against the importance of its object and that this object cannot be achieved peacefully. How much serious and honest consideration is given to these criteria, for instance, by the liberal sympathisers with African militancy?

These fallacies are, for the most part, not deliberately manufactured and put into circulation by terrorist movements themselves. Many of them are gratuitously presented to the enemy by tired and feeble politicians at a loss for something to say about the latest terrorist atrocity (whatever it may be) and at a loss to know what to do in order to secure the safety of the State without incurring the censure of powerful allies abroad or generating hysteria among the liberal intelligentsia at home. But their combined effect is to induce in the public the view that terrorism cannot be beaten or that it can only be beaten (a huge and final fallacy) at the cost of destroying the free society. As the hollowed journalistic cliché goes, "it is high time the nonsense stopped."

Daily Coal Report - Wednesday 19 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	19
(iii) Some men present	73
(iv) On strike/picketed out	35

N
19/12

29 new faces reported this morning. Area attendances were as follows:-

			<u>Change on</u> <u>yesterday</u>
Scotland	(24 hr attendance)	2,449	+ 18
North East	(24 hr attendance)	3,133	+ 13
Yorkshire	(24 hr attendance)	3,016	+ 5
North Derbyshire	(24 hr attendance)	4,673	+ 21
Western	(24 hr attendance)	10,662	+ 367
South Wales	(morning shift)	126	no change
Kent	(morning shift)	111	+ 4

Coal Movements

189,000 tonnes were moved yesterday.

38 coal trains ran.

Law and Order

Five police were hurt in South Wales today when 500 pickets turned up at a smokeless fuel plant near Aberdare (mid Glamorgan) to prevent one miner from reporting for work. Eight miners were subsequently arrested.

High Court

Mr Justice Warner today ruled that the NUM could argue its case in the High Court against the attempt by Nottinghamshire miners to make rule changes which would give the Nottingham area control over the calling of strikes. The hearing continues.

Also today the TUC was given leave by the Court to challenge the Government's right to cut supplementary benefit payments to strikers' families.

Other TUC News

Norman Willis today claimed that the dispute could go on "for years" unless there was a negotiated settlement. However, today's meeting of the TUC's General Council does not appear to have come up with any specific ideas for new initiatives.

NUR

There are reports this evening that the rail unions are considering stepping up their support for striking miners. This follows claims by militant railwaymen at Coalville, Leicester, of management "harassment".

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 6070



42A

2

T. F. decided not

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

Prime Minister

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

*Net Coal consumption
70,000 tonnes in
18 December 1984*

the first week of

*Dear Andrew
work for attachment December*

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

J

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

18/12

*Yours ever
John*

J S NEILSON
Private Secretary

" SECRET AND PERSONAL

Daily Coal Report - Tuesday 18 December 1984

DF
11/12

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	19
(iii) Some men present	73
(iv) On strike/picketed out	35

The pre-Christmas trend is continuing. Just 32 new faces reported today. Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,431	+ 17
North East	(24 hr attendance)	3,120	- 1
Yorkshire	(24 hr attendance)	3,011	+ 31
North Derbyshire	(24 hr attendance)	4,652	+ 340
Western	(24 hr attendance)	10,295	- 233
South Wales	(morning shift)	126	+ 1
Kent	(morning shift)	107	no change

Coal Movements

171,000 tonnes were moved yesterday.

26 coal trains ran.

Law and Order

The number of pickets at various locations in Yorkshire and the North East increased this morning, but there were no reports of major violence.

SECRET AND PERSONAL

SECRET AND PERSONAL

Line to Take

The intransigence shown by Mr Scargill and the hard left on the NUM Executive has cost striking miners a huge sum in lost wages, has divided mining communities and families and is the single reason why many in the industry now face a miserable Christmas and New Year. When the industry returns to work after the Christmas break those who wish to call an end to this senseless dispute can take decisive action by voting with their feet and joining the hundred thousand who have already rejected everything Scargill stands for.

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

18 DEC 1964

18 DEC 1964
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HOUSE OF LORDS,
SW1A 0PW

18 December, 1984

Prime Minister

MA

JA

19/12

My dear Leon:

Miners' Cases

Thank you for copying to me your letter of 12th December to Michael Havers. I too welcome the action reported in the Solicitor General's minute of 30th November to the Prime Minister.

I quite agree that the Crown can properly press for expedited trials in proper cases, but the best way to achieve this is surely for individual applications to be made in accordance with the Solicitor General's minute. The listing of cases is ultimately a judicial function. It is a difficult task which in the cases we have in mind will involve balancing the principle you mention with the need for expedition in other cases of, for example, murder and rape. For this reason a general exhortation is unlikely to have any substantial practical effect beyond that of individual applications in proper cases.

In addition to its practical limitations, an announcement such as you suggest would be open to criticism on the grounds that it is inappropriate or even unconstitutional for the Government to seek in this way to influence the judges. This would elevate to the constitutional plane the allegation that the criminal justice system is being manipulated in order to break the strike.

For the reasons I have mentioned my view is that it would be better to do without the statement suggested in your letter.

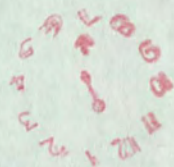
I am copying this letter to the Prime Minister and the Attorney General.

Yrs :

The Right Honourable
Leon Brittan, Q.C., M.P.,
Secretary of State for
the Home Department.

You must have observed the misrepresentations to wh: Michael was subjected when he did the only possible thing over the sequestrators' expenses. This is very sensitive territory. Verbum sapienti sufficit

NAT IND : COAL : PHS



19 DEC 1984

~~SECRET~~



01-405 7641 Extn

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

18 December 1984

The Rt. Hon. Leon Brittan, QC, MP,
Secretary of State for the Home Department,
Queen Anne's Gate,
LONDON, SW1H 9AT.

N
19/12.

Dear Leon.

Thank you for your letter of 12th December concerning trials of intimidation cases. I am considering the matter and will let you have a reply shortly.

I am copying this letter to the Prime Minister and the Lord Chancellor.

Yours cve.
Michael

MAIT IND = COME = PEIS

12 1 2 3 4 5 6 7 8 9 10 11 12

19 DEC 1984

TR

41

Daily Coal Report - Monday 17 December 1984

W

18/12

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	19
(iii) Some men present	73
(iv) On strike/picketed out	35

80 new faces reported back today. However the Board expect attendances generally to tail off as Christmas nears. Today's area breakdown was as follows:-

			<u>Change on</u> <u>Friday</u>
Scotland	(24 hr attendance)	2,414	+ 13
North East	(24 hr attendance)	3,121	- 97
Yorkshire	(24 hr attendance)	2,980	- 26
North Derbyshire	(24 hr attendance)	4,312	- 261
Western	(24 hr attendance)	10,528	- 613
South Wales	(morning shift)	125	- 2
Kent	(morning shift)	107	+ 5

Coal Movements

966,000 tonnes were moved last week, of which 674,000 went to the CEBG.

38 coal trains ran on Friday.

Law and Order

Still quiet.

TUC

The TUC liaison committee today met the NUM and met with a predictable response from Scargill. According to media reports Scargill said the NUM was not prepared to allow the closure of any section of the industry, but if the Government or the Coal Board wanted to resume talks the union was available.

Sequestrators

The sequestrators today indefinitely postponed legal attempts to seize NUM money held in Luxembourg. They are however to continue their direct negotiations with the Luxembourg bank.

Line to Take

Mr Scargill's comments after his meeting with the TUC today show how determined he is to keep the strike going, despite the hardship and suffering this is inflicting on mining communities. He refuses genuine negotiation and is only interested in confrontation. He tries to deny his members a national ballot. He and his supporters are now putting the industry's future at great risk.

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

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

177 DEC 1984

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WEEKLY COAL AND POWER STATION STATISTICS (1)

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

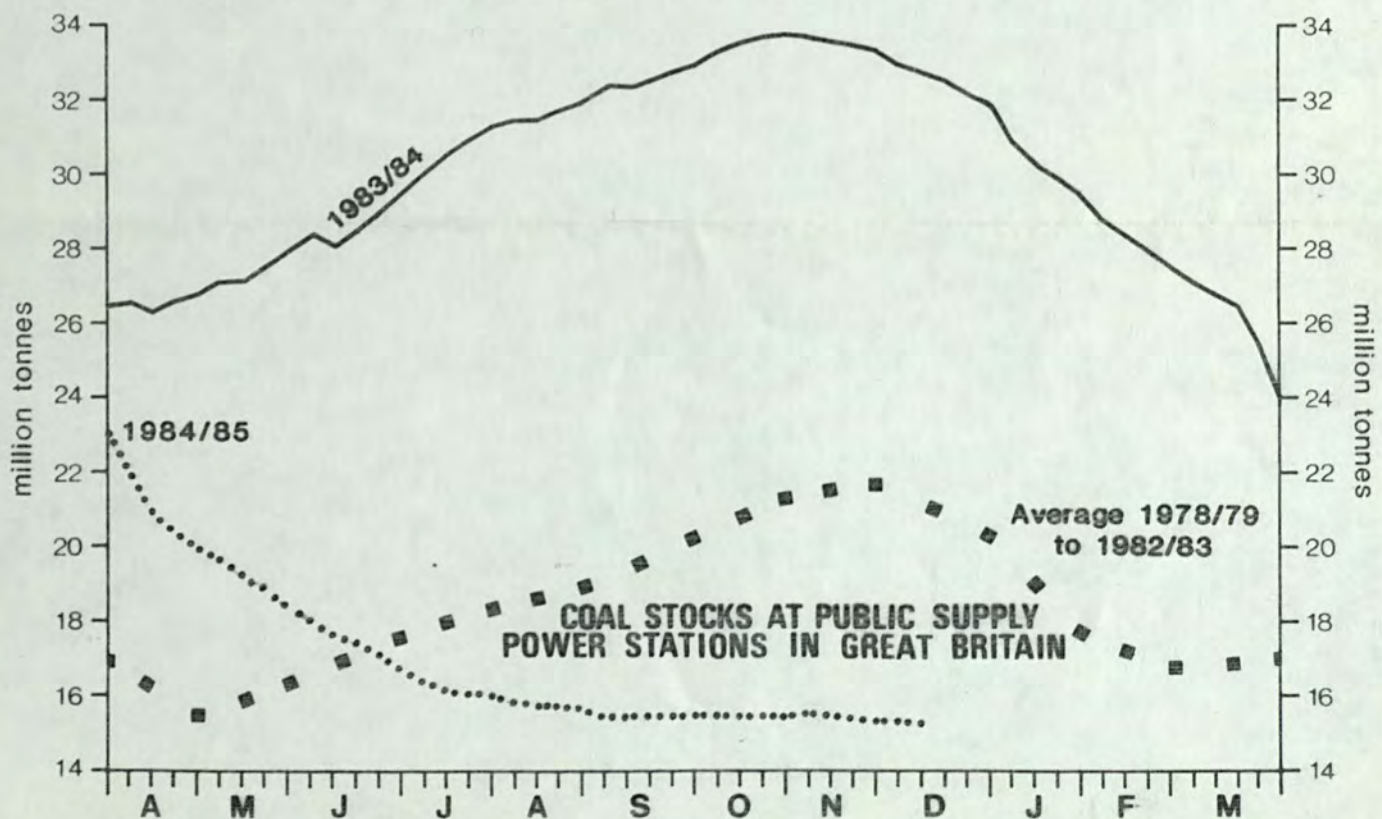
Week ending 10.12.83: 17.11.84 24.11.84 1.12.84 8.12.84

C O A L	PRODUCTION	deep mines+	1.89 :	0.58	0.61	0.60	0.63
	(m. tonnes)	opencast+	0.32 :	0.25	0.32	0.28	0.29
		TOTAL	2.21 :	0.83	0.93	0.88	0.91
C O A L	PRODUCTIVITY(2)	'overall' o.m.s	2.45 :	2.29	2.23	..	..
	(tonnes/manshift)	'production' o.m.s	10.12 :	11.30	11.72	..	..
C O A L	UNDISTRIBUTED STOCK						
	(m. tonnes)	TOTAL	24.32 :	21.12	21.09	20.91	20.99
S T A T I O N S	COAL STOCKS	(m. tonnes)	32.51 :	15.45	15.32	15.27	15.20
	COAL CONSUMPTION	"	1.92 :	0.76	0.82	0.77	0.77
	COAL RECEIPTS	"	1.70 :	0.69	0.69	0.72	0.70
S T A T I O N S	OIL STOCKS(3)	"	1.31 :	1.29	1.18	1.20	1.17
	OIL CONSUMPTION(3)	"	0.07 :	0.62	0.61	0.62	0.60
	OIL RECEIPTS(3)	"	0.04 :	0.52	0.44	0.56	0.54
P O W E R	ELECTRICITY SUPPLIED (4) (Gwh)		:				
	Nuclear	"	866 :	886	864	925	1033
	Other Steam	"	4,588 :	4,090	4,231	4,151	4,140
	TOTAL	"	5,454 :	4,976	5,095	5,077	5,172
	TOTAL - temperature corrected	"	5.366 :	5,011	5,188	5,287	..

(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.

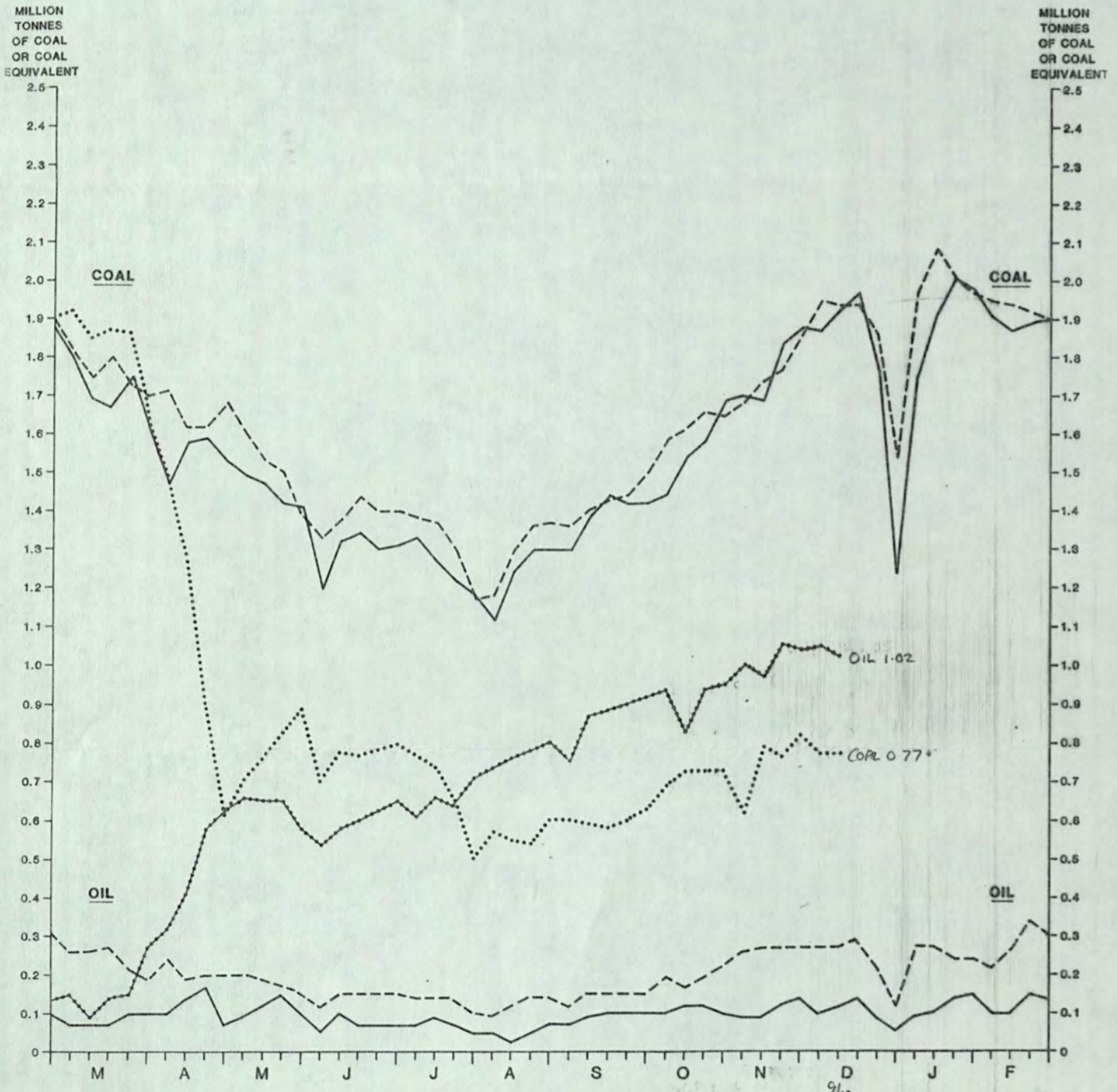
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COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED)
AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN

Key

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



18 DEC 1984

10 11 12 1
9 1
8 2
7 3
6 4

File

39

Daily Coal Report - Friday 14 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	19
(iii) Some men present	73
(iv) On strike/picketed out	35

40 new faces have reported so far today, bringing to 16,539 the total who have returned since 5 November.

		<u>Change on</u>	
		<u>Yesterday</u>	<u>Last Friday</u>
Scotland	(24 hr attendance) 2,401	+ 9	+ 91
North East	(24 hr attendance) 3,218	+ 24	+ 46
Yorkshire	(24 hr attendance) 3,006	+ 34	+ 153
North Derbyshire	(24 hr attendance) 4,573	- 247	+ 13
Western	(24 hr attendance) 11,141	+ 270	+ 39
South Wales	(morning shift) 127	+ 2	+ 2
Kent	(morning shift) 102	- 9	- 4

Coal Movements

The provisional estimate is that some 970,000 tonnes were moved this week.

42 coal trains ran yesterday.

Law and Order

Again, very quiet. 3,000 pickets reported to be 'roaming' in South Yorkshire, but no trouble.

At Rotherham Magistrate's Court Scargill was today found guilty on

two charges of obstruction. He was fined £200 for obstructing the police, £50 for obstructing the highway and ordered to pay costs limited to £750.

TUC

Today's meeting between the Secretary of State for Energy and the TUC, which was also attended by the Secretary of State for Employment, produced no surprises. The TUC explained their concern about the damage the dispute was causing to the industry's prospects and to mining communities. They urged that negotiations between the NCB and NUM be resumed on a more positive plane. Specifically they suggested that as a basis for a return to work there should be a time-limited negotiation between the Board and the NUM on a new "Plan for Coal" on the themes of expansion, efficiency and growth - areas where they believed there was common ground. They also proposed that pending these discussions the Board should not proceed with its March 6 proposal and that the five pits of particular concern to the NUM should remain open. However, despite their bridge-building aspirations, they were unable to point to any change in Scargill's attitude.

The Secretary of State catalogued the offer available to miners, the negotiations between the Board and the NUM, the substantial concessions already made by the Board, the Board's acceptance of the ACAS compromise proposal, its deal with NACODS, its desire to move towards a low cost, high production industry etc. He pointed out that the flexibility shown by the Board stood in stark contrast to Scargill's intransigence and methods - in particular Scargill's demand that every pit, no matter how uneconomic, should be kept open until exhausted. He pointed out that any future "Plan for Coal" had to recognise the need to deal with uneconomic pits and asked that the TUC should bring every influence to bear on the NUM to recognise this reality. He also said that the Coal Board could not, in good faith, enter a negotiation on a new plan if it knew at the outset that failure was inevitable because of the NUM's attitude.

The TUC said they would be having another discussion with the NUM. But the chance that they will be able to deliver a fundamental shift in attitude by the NUM leadership seems remote.

High Court

A High Court judge has refused to order two Derbyshire NUM officials personally to repay more than £1.7 million of union funds spent on the dispute. He said there was no immediate advantage in taking steps which would bankrupt the officials.

Line to Take

See attached press released.

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

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

Mr Peter Walker, Secretary of State for Energy, today welcomed his exchange of views with the TUC about the miners' dispute, but he said that they had in no way suggested a change in the attitude of the National Union of Mineworkers.

Speaking after his meeting with the TUC Liaison Group, Mr Walker said:

"Obviously the TUC had nothing to bring to this meeting which suggested a change in the attitude of the NUM.

"I reviewed with the TUC what had happened to date, and I explained how the use of considerable resources had created conditions in which the government could say to the miners:

- you can have a good pay increase which compares favourably with other groups;
- we can guarantee that any miner who wishes to continue to be a miner can do so;
- there will be generous voluntary redundancy conditions in areas where pits have to close for economic reasons;
- there is a major investment programme, more than twice that of the rest of the European Community put together; and
- an enterprise scheme to help bring jobs to mining communities.

"I also pointed out that what was on offer to the miners was probably better in total than anything of offer to any other group, and the best offer to the miners since nationalisation.

"Throughout all the negotiations that have taken place, the TUC has agreed with me that what is needed and what everybody wants is a negotiated settlement.

"The NCB has negotiated patiently and at length; it has reached an agreement with NACODS; it is in agreement with BACM; it has agreed to an independent advisory body in the colliery review procedure; and it has accepted a compromise proposal put forward by ACAS during negotiations with the NUM.

"But the NUM rejected that compromise, and we have a situation in which a third of that union balloted against a strike and is at work, while the dispute continues with the two-thirds that has been deprived of a ballot.

"The NCB said during the ACAS negotiations that they wanted to sit down with the mining unions including the NUM and agree a future Plan for Coal. The government has always welcomed that possibility.

"But there has been no movement by Mr Scargill on his demand that every pit, no matter how uneconomic, should be kept going until it is exhausted of coal.

"I told the TUC you cannot sit down and have a good Plan for coal on that basis, because it would not provide a good future for the coal industry. That future includes the cheap and efficient production of coal through a high investment programme. That is the only way for the industry to expand in the way the Government wants, and which the miners should and must want.

"I have always made it clear that if any trade union leader or any of the TUC wish to have talks with me, then I am always available.

"I welcome this exchange of views as I welcome all exchanges of views and I continue to hope that anybody examining the offer being made to miners will recognise that a settlement could be made immediately on the basis of the NCB's very generous offer."

December 14, 1984

Daily Coal Report - Thursday 13 December 1984

38
Pme Munk

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	19
(iii) Some men present	73
(iv) On strike/picketed out	35

JK
13/12

Riccal pit, part of the Selby complex in Yorkshire, was mistakenly reported yesterday as having moved into category (ii). Although some coal was turned the pit, which is still at the development phase, has not been officially inaugurated as a producing pit. So it falls outside the categories listed above.

59 new faces reported today, bringing this weeks total to 443.

Area attendances were as follows:-

			<u>Change on</u> <u>yesterday</u>
Scotland	(24 hr attendance)	2,392	+ 27
North East	(24 hr attendance)	3,094	- 9
Yorkshire	(24 hr attendance)	2,972	- 14
North Derbyshire	(24 hr attendance)	4,820	- 13
Western	(24 hr attendance)	11,124	+ 217
South Wales	(morning shift)	126	no change
Kent	(morning shift)	111	+ 3

Coal Movements

177,000 tonnes were moved yesterday.

46 coal trains ran.

Law and Order

Generally a quiet day but there were 600 pickets at Manvers (Yorkshire).

Scargill appeared in court at Rotherham today on two charges of obstruction arising from picketing at the Orgreave coking plant in May. The hearing was adjourned until tomorrow.

Pit fire at Rossington

The fire is being contained. Men from other pits are assisting - still no official help from the NUM.

TUC

Tomorrow's meeting with the Secretary of State for Energy will commence at 10.30 am.

High Court

The move by two working miners to seek appointment of a Receiver to run the financial affairs of the Yorkshire area NUM has been adjourned until next year.

Line to Take

This senseless dispute was started, and has been sustained, by the intransigence and unreasonableness of Mr Scargill and the militant left. More than 100,000 miners have rejected all he stands for by not striking. The onus is now on the TUC to prove whether the forces of moderation and commonsense can prevail within the trade union movement.

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

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



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

AT 011 37

Prime Minister (2)

AT 10/12

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

13 December 1984
nd

Dear Andrew

POWER STATION ENDURANCE

I attach the latest weekly report.

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

Yours ever
John

J S NEILSON
Private Secretary



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week were 0.70mt (including non-NCB sources). Coal burn was 0.76mt and stocks fell by 0.06mt. The Board's stocks last Sunday night (9 December) were 14.47mt with a further 0.72mt at Scottish power stations.

2 Total NCB deliveries last week were 0.94mt of which about 0.28mt 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 0.53mt. The average over the past eight weeks has been 0.71mt.

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

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	early March	early May
0.40	late March	late September
0.45	-	Autumn 1985

Department of Energy

12 December 1984



Coat

COVERING SECRET

MR TURNBULL

I attach the suggested additional paragraph which we discussed, to be inserted at X on page 2.

PLG

P L GREGSON

13 December 1984

COVERING SECRET

SECRET

36A

The Prime Minister said that, even if it was neither practicable nor desirable for the NCB to close pits during the period when the talks were in progress, it would be vital to preserve the principle that the colliery review procedures (as modified in the agreement with NACODS) remained continuously in force. The NCB needed to be in a position, if and when agreement on a new Plan for Coal proved to be impossible, to carry on managing the industry and closing pits as necessary. It would be tactically bad for the NCB at that stage to be put in the position of appearing to reimpose closure procedures suspended as a condition of ending the strike.

SECRET

ANDREW



10 DOWNING STREET

MR. GREGSON

Mr. Turnbull dictated this rather hurriedly earlier this afternoon. He asked me to send you a copy of it and he will get in touch about 1600 hours to discuss it.

Vanessa Cummings

Garden Rooms

13 December 1984

RECORD OF A MEETING HELD AT 10 DOWNING STREET AT 0930 HOURS ON THURSDAY 13 DECEMBER 1984.

COAL DISPUTE

The Prime Minister held a meeting today to discuss the TUC's request for a meeting on the coal dispute. Present were the Secretary of State for Energy, Mr. Gregson, Mr. Alison, Mr. Butler and Mr. Turnbull.

The Secretary of State for Energy said the TUC were proposing to put to the NUM and NCB the proposition that there should be a return to work followed by a time-limited discussion of say 8-12 weeks on a new Plan for Coal. The TUC were seeking to establish whether the Government would endorse such an approach.

The Secretary of State for Energy saw some advantages in this approach. It would represent a return to the position as at 6 March when the Board had suggested to the unions that there should be discussions on the future of the industry, following which proposals would be put to Government. In this respect nothing new was being offered. There were also advantages for the Government in lining up behind the TUC on proposals which the NUM were likely to reject. The alternative was to discourage this initiative, while waiting for the NUM to indicate some move towards the NACODS/ACAS settlement. This would put the Government on the defensive and might cause the TUC to strengthen its support for the NUM. Furthermore, a return to work in January for 8 or 12 weeks would allow large movement of coal to the power stations (for this reason a time limit of 12 weeks might be preferable). If, as was to be expected, there was no agreement at the end of this period, the NUM would find it difficult to resume the strike which, in any case, would require a ballot.

The Prime Minister said there were also pitfalls in this approach which must be avoided. First, it was essential that

any talks on the future of the industry take place after a return to work. Secondly, nothing should be agreed which would undercut the position of the working miners. Thirdly, it was essential to prevent the NUM from claiming that the programme of pit closures had been withdrawn, or even that there would be no pit closures while talks continued. It should be clearly seen that the NCB was free to operate the existing Colliery Review Procedure, enhanced by the provisions agreed with NACODS.

The Secretary of State for Energy said that, in practice, no closures would take place during the weeks allowed for the talks on the future of the industry. Time would be needed to finalise the details of the independent review bodies and it would not be possible to run a proposed closure through all its stages during this period. If the NCB did proceed to close pits immediately after the return to work it would risk alienating public opinion. This would not apply, however, to pits closed by flooding or fire as a result of the strike.

The Secretary of State for Energy doubted whether Mr. Scargill would agree to these proposals without conditions. He was likely to maintain his demand that there should be no closure of uneconomic pits, though he might put the proposals to a ballot with a recommendation in favour of rejection.

Summing up the discussion, the Prime Minister said the Secretary of State should meet the TUC on Friday morning and should tell them that the Government could go along with its efforts to bring the strike to an end on the basis of a return to work followed by talks on the future of the industry. It should be made clear that this would be a return to normal in which the CRP remained in place subject only to the modification agreed with NACODS.

13 December 1984

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10 DOWNING STREET

From the Private Secretary

13 December 1984

COAL DISPUTE

I attach a record of the meeting here earlier today.

I am copying it also to David Normington (Department of Employment) and Peter Gregson (Cabinet Office). I assume you will want to give it only very restricted circulation.

(ANDREW TURNBULL)

Michael Reidy, Esq.,
Department of Energy.

SMH

RECORD OF A MEETING HELD AT 10 DOWNING STREET AT 0930 HOURS ON THURSDAY 13 DECEMBER 1984.

COAL DISPUTE

The Prime Minister held a meeting today to discuss the TUC's request for a meeting on the coal dispute. Present were the Secretary of State for Energy, Mr. Gregson, Mr. Alison, Mr. Butler and Mr. Turnbull.

The Secretary of State for Energy said the TUC were proposing to put to the NUM and NCB the proposition that there should be a return to work followed by a time-limited discussion of say 8-12 weeks on a new Plan for Coal. The TUC were seeking to establish whether the Government would endorse such an approach.

The Secretary of State for Energy saw some advantages in this approach. It would represent a return to the position as at 6 March when the Board had suggested to the unions that there should be discussions on the future of the industry, following which proposals would be put to Government. In this respect nothing new was being offered. There were also advantages for the Government in lining up behind the TUC on proposals which the NUM were likely to reject. The alternative was to discourage this initiative, while waiting for the NUM to indicate some move towards the NACODS/ACAS settlement. This would put the Government on the defensive and might cause the TUC to strengthen its support for the NUM. Furthermore, a return to work in January for 8 or 12 weeks would allow large movement of coal to the power stations (for this reason a time limit of 12 weeks might be preferable). If, as was to be expected, there was no agreement at the end of this period, the NUM would find it difficult to resume the

strike which, in any case, would require a ballot.

The Prime Minister said there were also pitfalls in this approach which must be avoided. First, it was essential that any talks on the future of the industry take place after a return to work. Secondly, nothing should be agreed which would undercut the position of the working miners. Thirdly, it was essential to prevent the NUM from claiming that the programme of pit closures had been withdrawn, or even that there would be no pit closures while talks continued. It should be clearly seen that the NCB was free to operate the existing Colliery Review Procedure, enhanced by the provisions agreed with NACODS.

The Secretary of State for Energy said that, in practice, no closures would take place during the weeks allowed for the talks on the future of the industry. Time would be needed to finalise the details of the independent review bodies and it would not be possible to run a proposed closure through all its stages during this period. If the NCB did proceed to close pits immediately after the return to work it would risk alienating public opinion. This would not apply, however, to pits closed by flooding or fire as a result of the strike.

The Prime Minister said that, even if it was neither practicable nor desirable for the NCB to close pits during the period when the talks were in progress, it would be vital to preserve the principle that the Colliery Review Procedures (as modified in the agreement with NACODS) remained continuously in force. The NCB needed to be in a position, if and when agreement on a new Plan for Coal proved to be impossible, to carry on managing the industry and closing pits as necessary. It would be tactically bad for the NCB at that stage to be put in the position of appearing to reimpose closure procedures suspended as a condition of ending the strike.

The Secretary of State for Energy doubted whether Mr. Scargill would agree to these proposals without conditions. He was likely to maintain his demand that there

should be no closure of uneconomic pits, though he might put the proposals to a ballot with a recommendation in favour of rejection.

Summing up the discussion, the Prime Minister said the Secretary of State should meet the TUC on Friday morning and should tell them that the Government could go along with its efforts to bring the strike to an end on the basis of a return to work followed by talks on the future of the industry. It should be made clear that this would be a return to normal in which the CRP remained in place subject only to the modification agreed with NACODS.

13 December 1984

SECRET

12/12/64

LANARF

35A

PRIME MINISTER

TUC MEETING WITH THE GOVERNMENT

Sir Kenneth Couzens saw Mr. Graham and Mr. Marks of the TUC this evening.

The points which the TUC will put to Mr. Walker are similar to those put at their private meeting with him - the intransigence of the Government and the NCB; the solidity of the hard core of the strike; and the "Willis proposition", that there should be a return to work and a time-limited discussion of a new Plan for Coal.

Sir Kenneth Couzens asked why a public meeting had been proposed since the TUC would not be saying anything more than they had said in the private meeting. Graham and Marks indicated that the proposal had been put against the advice of the TUC officials and appeared simply to be a device to get the TUC through the next thirty-six hours or so, because they did not know what else to do.

Further discussion with Graham and Marks elicited that the TUC were thinking of achieving a settlement simply by not driving any of the current points of difference to an issue - "by stopping banging heads against brick walls". Sir Kenneth Couzens pointed out that there were also some "brick walls" on the NCB side, i.e. they must not be asked to withdraw the 6 March closure programme. There should be a return to the procedures which applied before the strike, probably with the enhancement agreed with NACODS. The TUC officials said that this was precisely what they were envisaging.

Sir Kenneth Couzens pointed out that any talks on this sort of basis would have to be between the NCB and the NUM, not between the TUC and the Government. The TUC officials acknowledged this, and said that the most that the TUC would be asking for was an assurance that the Government would not prevent the ^{NCB}~~TUC~~ from undertaking talks on this sort of basis.

Mr. Walker thinks that the meeting with the TUC should take place on Friday, not tomorrow, so that he can have a full twenty-four hours to prepare tactics. We have arranged for him to come in and see you for half-an-hour before Cabinet. You will want to discuss with him:

- a. what the tactics with the TUC should be.
- b. what should be said to Cabinet.

RB

12 December, 1984



NBM

CCND

AT 12/12

QUEEN ANNE'S GATE LONDON SW1H 9AT

12 December 1984

2 Michael,

MINERS' DISPUTE

WJH AT

I very much welcome the action which the Solicitor General reports in his minute to the Prime Minister of 30 November. The Home Office has drawn the Director of Public Prosecutions' revised policy to the attention of Chief Constables and has asked them to take it into account in cases which are left to them to prosecute.

I wonder if it would be possible to go further than an application for a date to be fixed and for an expedited trial in the case of intimidation offences? It seems to me that in all cases which are both serious and prevalent, and which are likely to put the public in fear or otherwise to involve a serious threat to public order, the Crown could properly - and arguably has a duty to - press for expedited trials and put the argument before the courts that expedition is required in the public interest and especially in order to preserve public confidence in the system of justice. The principle does not apply only to cases arising from industrial disputes, but to any situation where vulnerable groups may be particularly at risk.

A statement of this principle, perhaps by yourself in written reply to an arranged Question, would be much more effective in relation to police prosecutions and would be likely to achieve a more positive response from the courts (including the magistrates' courts) than an invitation for the court to consider an expedited trial in what will inevitably be no more than a small number of individual cases.

I wonder if you would consider making a statement on these lines?

I am sending copies of this letter to the Prime Minister and the Lord Chancellor.

*Law,
Law*

The Rt Hon Sir Michael Havers, QC, MP

NAF 1ND RTIS

COML

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Ref. A084/3338

PRIME MINISTER

500-600

last week.

Lower in Scotland

Cabinet: Industrial Affairs

In addition to the usual discussion on coal, the Secretary of State for Social Services will probably wish to report briefly on the Newcastle DHSS dispute.

Manton 430
29
April

Coal

2. In order to leave enough time for the local authority capital controls item, you will probably wish to encourage a shorter discussion of coal than is usual. You might invite reports from:

Mr. Duly, 11/11
Morton
50% down

(i) The Secretary of State for Energy on:

- the number of pits and miners working;
- the stories in the press that the NUM's Nottinghamshire Area Council will, on 20 December, be likely to vote in favour of a rule change making that Area no longer subordinate to decisions of the NUM nationally and of ending the overtime ban.

Coal. post
TUC

hidden
T.U.C.

- talks with the TUC

(ii) The Home Secretary on law and order.

(iii) The Attorney General on:

the legal actions affecting the NUM;



the outcome of the legal action affecting the TGWU.

3. The next opportunity for a discussion will be at the meeting of MISC 101 at which the Lord President has been asked to take the chair in your absence, on Tuesday 18 December at 11.30 am.

Newcastle DHSS Dispute

A 4. The Secretary of State for Social Services sent you a minute on 9 November suggesting that it might now be desirable for DHSS management to bring the Newcastle dispute to a head. He set out a number of options for doing this. You asked the Lord President to chair an ad hoc group of Ministers to consider the matter and make recommendations. This group had two meetings, on 29 November and 4 December. Although no final decision has yet been taken discussions so far have suggested that the least undesirable action by management would be unilateral variation of the terms and conditions of service of the employees concerned at Newcastle. The Solicitor General has however advised that this course, while the least undesirable, would carry a significant risk of a successful challenge at common law and a smaller risk of successful challenge in an industrial tribunal. B In his minute to the Lord President of 12 December (copied to you) he has explained what the consequences would be in either case.

5. The matter has not been taken further for the moment because last week reports began to appear in the press that the strike might be on the point of collapse. Following agreement between the management and the other two unions involved (the Society of Civil and Public Servants and the Civil Service Union) and failure of attempts to widen the industrial action, the National Executive Committee of the Civil and Public Services Association (CPSA) decided to send a deputation to



Newcastle to try and persuade the strikers to end the dispute. The threat of withdrawing strike pay has been mentioned but not actually made. The CPSA deputation is meeting the Newcastle strike committee today and there will be a mass meeting of strikers tomorrow (Thursday). Whatever the outcome of these meetings, the position is likely to remain uncertain until Christmas.

6. Against this background the Secretary of State for Social Services considers that any management action to bring the dispute to a head should not be initiated (if at all) until after the New Year holiday. Provisional arrangements have been made for the Lord President to take stock of the position at a meeting of his small ad hoc group next week.

RA

ROBERT ARMSTRONG

12 December 1984

SECRET AND PERSONAL

Prime Minister34
C. Daily up

Daily Coal Report - Wednesday 12 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	20 ← up 3
(iii) Some men present	72
(iv) On strike/picketed out	35

54 new faces reported today, bringing this weeks total to 372.

Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,365	+ 10
North East	(24 hr attendance)	3,103	no change
Yorkshire	(24 hr attendance)	2,986	+ 38
North Derbyshire	(24 hr attendance)	4,833	+ 90
Western	(24 hr attendance)	10,907	+ 320
South Wales	(morning shift)	126	+ 2
Kent	(morning shift)	108	+ 1

Manton pit, where 421 men reported this morning, has started turning coal. This is the first coal produced in Yorkshire since the start of the strike and therefore represents a significant breakthrough. Coal was also turned for the first time at Riccal in Yorkshire and Barony in Scotland.

Coal Movements

189,000 tonnes were moved yesterday.

35 coal trains ran.

SECRET AND PERSONAL

Law and Order

Quiet again.

Pit fire at Rossington

This is still not fully controlled.

The Board said today that 34 coalfaces had been lost during the strike. 65 are causing concern and a further 19 serious concern.

TUC

The TUC tonight made a formal request to meet the Secretary of State for Energy. It is possible a meeting may take place shortly though the timing has still to be decided. Meanwhile the TUC have been asked to elucidate their request.

High Court

The power group section of the NUM today informed the High Court that they would be holding new elections for a representative on the NUM Executive. Two working miners had challenged last months vote as being irregular.

Line to Take

General situation - as Monday.

TUC approach - Government has always been willing to talk to trade union leaders about matters of common concern. No timing has been arranged for a meeting between the TUC and Secretary of State for Energy.

Distribution: Members of MISC 101, Paymaster General

Sir Robert Armstrong, Mr Gregson (Cabinet Office)

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

020



CENTRAL ELECTRICITY GENERATING BOARD

Sudbury House, 15 Newgate Street, London EC1A 7AU. Telephone 01-634 5111

From: G.A.W. Blackman, CBE
Board Member

x 14

12 December 1984.

The Rt. Hon. Margaret Thatcher MP,
Prime Minister,
10 Downing Street,
London, SW1.

Dear Prime Minister,

It was most kind of you to thank us in the Central Electricity Generating Board for our efforts during the miners' strike. My colleagues and I are determined to keep the lights burning and protect our consumers from those who defy the Law and refuse to face the realities of the coal mining industry. We will continue in this course whatever the difficulties.

May I say that your own courage and leadership has been a great source of inspiration.

Yours sincerely,

G.A.W. Blackman.



10 DOWNING STREET

Prime Minister.

mt

You may be interested to see the attached report in the New Statesman about the NCCL report on pocket line violence. If true, it marks a considerable move away from our normal expectation of the NCCL

R

NCCL TO INSIST ON 'A RIGHT TO GO TO WORK'

THE NATIONAL Council for Civil Liberties (NCCL) interim report on the miners' strike, due out on Monday (10 December) is expected to contain a major shift of emphasis for the Council. MARTIN BROWN reports

WE LEARN that while NCCL will strongly support the right to picket, including the right to hold mass pickets, it will give equal support to the right to free passage to work and will say that the police have a duty to enforce that right. The report will also call upon miners' leaders to condemn picket line violence by NUM members.

The report was called for by this year's NCCL annual meeting (14-15 April) in the wake of the first police road blocks and accusations of phone tapping of NUM offices. The motion asked for an independent enquiry into the civil liberty aspects of the policing of the miners' strike. The interim report goes beyond that to include statements on picketing of individuals' houses and free passage to work.

On the committee of enquiry are Larry Gostin, general secretary of NCCL since November 1983, John Alderson, ex chief constable of Devon and Cornwall, Ian Martin of the Fabian Society, Sarah McCabe, a criminologist at Oxford University, Christopher Mason of Strathclyde police authority, and Peter Wallington, professor of law at



Searching for the 'pure' civil libertarian line — Larry Gostin

Lancaster University.

The interim report doesn't set out the evidence collected by NCCL observers in mining areas, but it is a statement of the civil liberty principles the committee of enquiry believes are at stake in the strike. As such it will set the ground rules for the final report, which won't be written till after the dispute is over.

'Depoliticised' NCCL?

The shift of emphasis in the report is an indication of the direction Gostin would take the NCCL. In the past the Council has been accused of being simply a left wing pressure group. Gostin is keen to develop what he terms the 'pure' approach to civil liberties, free from considerations of

party politics.

Of late the NCCL has had close connections with the Labour Party. Patricia Hewitt, ex general secretary, is now press secretary for Neil

Kinnock, and Harriet Harman, ex legal officer, is Labour MP for Peckham. Gostin was a civil liberties campaigner in America before coming to Britain to become legal director of MIND — the mental health campaign.

Monday's interim report is to contain strong statements in line with NCCL policy on the right to picket, phone tapping, police road blocks, bail procedures, snatch squads and the use of outside police forces. But it's the statements on freedom of passage to work that are likely to attract the most attention, and may not be welcomed by some of the affiliated trade unions and individuals who provide a significant part of the financial support for the NCCL.

Shock! GLC accuses Fleet St of pollution

THE LEVEL of lead pollution around Fleet Street is one of the highest in London due to contamination from newspaper printworks, according to a major new scientific study by the Greater London Council.

The concentration of lead in dust in dozens of samples taken from around newspaper works was found to be substantially in excess of the GLC's designated 'action level'.

In the worst case, levels of between 20 and 25 times the GLC's limit of 5000 parts per million were found near *The Times* offices in Gough Street. Levels around the *Daily Mirror* in New Fetter Lane were up to nearly 16 times the limit; around the *Sun* and the *Daily Mail* up to nine times the limit; and near the *Financial Times* up to six times the limit. Lower, but still excessive levels were detected near the *Guardian* and the *Observer*.

Urgent talks have already been held between local authorities, the Newspaper Publishers' Association, and the Health and Safety Executive with the aim of ameliorating the situation. The pollution is said to be caused by small particles of lead escaping from the printworks, where it's extensively used for typesetting.

Over the last four years the GLC's Scientific Services Branch has been monitoring lead 'hotspots' in London. Only in Fleet Street was the average concentration of lead in dust found to be in excess of the limit. In order to pinpoint its source, researchers undertook further sampling and analysis and established that the proportion of tin to lead in the samples matched the proportions found in linotype and other print metals.

Given the considerable concern about the possible health effects of lead pollution on young children, the GLC's ultimate aim is to reduce concentrations of lead in dust to a tenth of its 'action level'. While acknowledging that some positive measures have been taken to deal with lead in air, the Council is very critical of the government for not setting minimum levels for lead in dust.

Its monitoring work also uncovered three roadside sites where the concentrations of lead in air were in excess of the European Community limit of two micrograms per cubic metre. On Talgarth Road, Hammersmith — London's busiest main traffic route — it was nearly double the limit (3.9 micrograms per cubic metre), while roads in Greenwich and Kingston were just on or above the limit.

Rob Edwards

BELGRANO ENQUIRY

Lewin on the dating puzzle

FORMER Chief of Defence Staff Lord Lewin directly contradicted a senior officer of the submarine that sank the *Belgrano*, in his evidence to the Commons select committee investigation this week.

Lewin said the submarine's report that it had sighted the *Belgrano* didn't reach Naval HQ in Britain until 'about midnight' the day before the sinking — but Narendra Sethia, the officer responsible for all the paperwork on the submarine, said on Granada TV's *World in Action* last weekend that it had signalled Naval HQ at Northwood at 4pm London time on 1 May 1982, and that Northwood immediately acknowledged the signal.

Lewin first knew the submarine was in touch with the *Belgrano*, he said, on the morning of 2 May. Asked why he wasn't told at midnight, in view of the Prime Minister's claim that the ship posed an immediate threat, he said candidly: 'There's a problem with this word "immediate".' The first priority, he said, was to alert the 'man on the spot', task force commander Admiral Woodward, who knew that he wouldn't get authorisation to sink the *Belgrano* without assembling the full war cabinet, due to meet for lunch on 2 May.

Lewin came close to admitting that the *Belgrano* was sunk not because it posed a threat, but because, before it turned round, it made life difficult for the task force commander, who was trying to land commando squads on the Falklands at night to gather intelligence about the positions of Argentine forces there.

Diary conundrum

What is it in *Conqueror* officer Narendra Sethia's unofficial diary that Defence Secretary Michael Heseltine is so worried about? Much of the diary has been published in the book, *The Sinking of the Belgrano*, in the *Guardian* and, most recently, in the *Observer*.

Several people, including Labour MP Tam Dalyell, thought to be in possession of full copies have been summoned to the Ministry of Defence. They all said they hadn't got it. Heseltine was courteous enough to telephone Dalyell *in person* at 8am last Saturday to ask him to come to see him about it. Heseltine refused to elaborate, saying he didn't want to discuss it on the telephone.

Surely he must know that his government has given assurances that MPs' telephones won't be tapped?

John Rentoul

File

SECRET AND PERSONAL

Daily Coal Report - Tuesday 11 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	17
(iii) Some men present	75
(iv) On strike/picketed out	35

A further 110 new faces reported today bringing this week's total to 318.

Area attendances were as follows

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2,355	+ 21
North East	(24 hr attendance)	3,103	+ 42
Yorkshire	(24 hr attendance)	2,948	+ 113
North Derbyshire	(24 hr attendance)	4,743	+ 405
Western	(24 hr attendance)	10,587	- 153 *
South Wales	(morning shift)	124	+ 4
Kent	(morning shift)	107	- 2

* Compared to Tuesday of last week.

Coal Movements

170,000 tonnes were moved yesterday.

26 coal trains ran.

Law and Order

Quiet.

Pit fire at Rossington

A Coal Board geologist assisting the firefighters collapsed and died last night. He is believed to have had a heart attack. There are still only around 40 men tackling the fire compared to the 150 needed to do the job properly. The NUM is still refusing to assist.

Sequestrators

Negotiations are continuing with the Luxembourg bank holding £4.6 million of NUM funds.

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 6070



File

BRIEFING FOR PRIME MINISTER'S QUESTIONS
UNPUBLISHED ARTICLE ON NCB ACCOUNTING PROCEDURE

Line to take

The article remains unpublished because the authors agreed, at a meeting with the NCB last Thursday, to review its contents.

2 As I have said before, the NCB required support of £1.3 billion last year. This is no accounting fiction. I wish it were.

3 The Board fully accepts that management decisions on pit closures should not be based on a single accounting document - that has never been their practice.

Background

4 There were exchanges in the House on the subject of the unpublished Accountancy article in both Prime Minister's Questions and during discussion of Business of the House on 6 December. Also on that day NCB Board members and officials met the authors of the article and issued the attached press statement the following day.

5 Also attached is a copy of the unpublished article and comments made on it to the authors by the NCB.

Department of Energy
10 December 1984

NCB ACCOUNTING METHODS AND PIT CLOSURES

TEXT OF NCB PRESS STATEMENT ON 7 DECEMBER

NCB members and the Board's Director General of Finance yesterday met the authors of an article for Accountancy magazine. The Board explained how the authors had misunderstood the Board's accounting and decision making procedures and drew attention to factual inaccuracies.

The authors, who regretted that the original article had been circulated by Accountancy magazine before the Board had an opportunity to discuss it with them, readily agreed to review the contents of their article.

The Board expressed their willingness to discuss with the authors their revised article.

COMMENTARY

NCB accounts – a mine of mis-information?

Arguments about the economic viability of individual pits are at the heart of the coal dispute. Yet the fundamental accounting information used in public debate is gravely lacking

Tony Berry, Teresa Capps, David Cooper, Trevor Hopper and Tony Lowe write:

The current problems in the National Coal Board are likely to cost everyone in Britain a great deal, not least in terms of higher electricity prices and/or tax. Accounting and finance are central to the dispute about uneconomic pits and pit closures. Yet little public attention seems to have been paid to the underlying accounting reports that identify pit profit and loss. Careful scrutiny of such accounts, however, produces the conclusion that they fail to form an adequate basis for informed management decisions. While we are not in a position to identify whether these documents are used for pit closure decisions, the information contained in them is used in public justification for such decisions.

The standard accounting statement for pits – the 'F23' – is, as far as can be ascertained, used for making budgets, projections of pit profit and loss in the future and, more importantly, to justify decision-making, at least in public debate. Its decision-making rationale cannot therefore be ignored. Yet for this purpose, as will be shown, the F23 is fundamentally flawed.

First, though, a word of caution. We wish to distance ourselves from the political arguments about the management's 'balance sheet' attitudes or the social costs/benefits of employing miners. Decisions in any intelligently run business may be made on the basis of general business strategy and assessments of future market opportunities, and industrial relations implications may be important. Our concern, however, is to focus on the financial and economic rationale for decision-making and the extent to which the routinely produced accounting statements form an adequate basis for such decisions. The source material for our analysis is all publicly available, either in the NCB's Annual Reports and Accounts or in the Monopolies and Mergers Commission (MMC) Report on the NCB of June 1983 (Cmd 8920).

Given that the MMC criticised the NCB for not producing pit or area balance sheets, it is ironic that the NCB has been accused of having a 'balance sheet mentality'. For the F23, the major planning and control document, is a profit and loss account. (A pro-forma F23 is shown as Appendix 3.9 in the MMC Report (Vol 2, pp 56-57).

The F23 may be used for control purposes but does not provide a sensible basis for pit closure decisions or public debate on them, for the following reasons:

1. Given the interdependence within the industry, the energy sector (eg oil, gas, the CEEB) and other nationalised industries (eg BR and BSC), there are major problems in determining a fair and reasonable figure for proceeds for the NCB in general, and individual collieries in particular.
2. The accounts are prepared on an absorption basis. It is exceedingly difficult to appraise the relative contribution of a pit (let alone a production face within a pit) as such information is not collated on an ongoing basis. Emphasis is instead concentrated on profit/tonne and unit costs. Given many costs appear fixed, volume is encouraged at a time of over-production.
3. Partly as a consequence of the design of the accounts,

allocation of budgeted production is crucial to profitability, because 'over-production' is penalised, unit costs are affected and, to a degree, volume determines some of the overhead charges.

4. Not all costs included are related to current pit operations, eg subsidence, early retirement costs and Area and HQ overheads.
5. Depreciation is included, but owes more to bookkeeping convention than relevant costs for decisions. A capital charge would be more relevant, if extremely subjective.
6. Most importantly, the F23 is an historic account. Prediction of the future from the past is always capable of dispute and given the uncertain geology and lengthy developmental work underground, is certainly justified in relation to the NCB.

What follows, details the above criticisms:

The table (see following page) indicates the total *income* from coal mining, whereas the F23 statement refers to *proceeds*. While the calculation of both figures has the appearance of being both easy and objective, these characteristics are illusory, largely due to major interdependencies in the energy market.

Approximately 70% of coal output is sold to the CEEB. The price is determined by negotiation and is, to a considerable extent, arbitrary (although it has considerable impact on the apparent profitability of both organisations). For example, in the 1950s the NCB was forced to sell imported coal in the home market at a price lower than the cost of importing it. Current agreements with the CEEB price coal above the price for coal on the international spot market but considerably below the cost for oil with equivalent heat output. Further, there are considerable difficulties in using market prices as a basis for planning. For example, the volume of available coal is relatively small and subject to a number of vagaries. The volume and price of Polish coal owes as much to that country's foreign exchange problems as to the cost of production, and Poland cannot be regarded as a reliable supplier of cheap coal. The net cost in the UK of coal from Australia, South Africa and North America depends heavily on transportation costs. Changes in international freight rates dramatically affect the price of imported coal. And without large investment in coal handling facilities in British ports, it would not be possible to import coal in large volumes. Thus calculation of proceeds represents a classic example of the problems of transfer pricing between interdependent units (in this case, the NCB and CEEB). The suggestion that 'market prices' represent an objective solution to these problems ignores the contrived and volatile nature of the market for coal.

Over-production

Currently collieries are credited with a selling price based on a formula relating quality to contracted selling prices. This currently generous arrangement for marginal production, together with the low marginal costs of increasing production in the short run, leads colliery managers to believe that, in order to increase pit profitability and/or to reduce unit costs, it is desirable to maximise the volume of output. This is because proceeds are credited to saleable output rather than the coal actually sold and, as we will show below, many of the costs included in the F23 statement are usually fixed in nature (at least within the time horizons of most colliery managers).

It is hardly surprising that one outcome of these accounting treatments, and the emphasis placed on unit costs per tonne, is that in conditions of depressed demand, over-production and increasing stockpiles have resulted. The way in which proceeds are realised means that stocking issues have not been perceived as the concern of pit managers.

Around the time of the MMC investigations (we believe) the

NCB introduced a bookkeeping innovation of crediting any output greater than the pit's budgeted output quota, at a notional 'spot' price considerably below market prices (approximately £18 per tonne). This may have reduced the tendency to over-produce but it will also complicate the meaning of proceeds and colliery income.

The policy of applying notional spot prices highlights the crucial nature of the budgeted output allocation. The larger the allocation of output, the lower the unit cost per tonne, since the fixed costs of production are spread over larger volumes. And the closer the allocation of output to capacity, the less likely that the colliery will be penalised for over-production through the notional spot price. Yet the mechanisms to allocate these output levels are not formalised but seem to be based on negotiations between managers who themselves rely on assessments of the physical performances of a colliery. These informal assessments in turn affect the amount of investment in the pit, which ultimately affects physical performance.

Assessments of colliery performance thus run the considerable risk of becoming self-fulfilling prophecies: alleged high performance yielding high investment and output allocations, both of which contribute to low unit costs. The opposite consequences occur for so-called low performing collieries.

Pits are not independent units either in relation to their costs or their proceeds. For example, transfer pricing issues arise again with regard to proceeds because coal is of variable quality and is frequently mixed or blended. This mixing involves transferring coal between pits; the selling price recorded is based on the notional selling price and thereby affects the apparent profitability of the pits involved in the transfer. In addition, given that a number of geographically adjacent collieries may be mining the same coal seam, the decision as to which colliery is allocated which coal faces will affect apparent profitability.

The figure for proceeds in the F23 pit profit and loss account could, therefore, include coal which has been sold, transferred to other collieries, produced within the output allocation but not sold, and produced above the allocation but not sold. Each category may be credited with different prices.

We have not analysed all components of colliery costs - for example, we have avoided the discussion as to whether wages and wage charges (in 1983/84 representing some 42% of total colliery costs) are fixed or variable, and what the costs to the nation are of employing men in coal mining as this depends on the assumed alternatives to employment in coal mining. Instead we have focussed on cost interdependencies and the allocation of costs to pits. These issues are crucial in assessing the meaning of the suggestion in the NCB annual report that in 1983/84 the average cost per tonne was £46.31 and those in the MMC report that in 1981/82 'there were collieries where costs were over £100 per tonne' (p 167) and 'the financial impact (on both profit and loss account and cash flow) of the worst 5% is understated in Table 8.4 (which showed a loss of £166m)' (p 169).

The second-largest component of average costs is the charge for materials and repairs. Such a cost category might be assumed to represent variable costs of consumables used in coal getting. Elements such as timber, adjustable supports and belting may indeed vary with the rate of extraction and be avoidable if coal production is stopped at a particular pit. However, materials and repairs include charges for the hire of Area plant pool equipment. Charges are intended to apportion costs of this equipment in relation to usage at the specific pit. The MMC criticised the basis of the charge, suggesting that it did not reflect an economic charge as no allowance was made for interest or profit.

Plant pool charges illustrate cost interdependencies between pits. The charge is, in effect, an allocated share of central costs. Rental charges are likely to depend on the usage of the equipment and it is therefore probable that the charge to a pit will be dramatically affected by the actual or budgeted usage of the equipment at other pits. Further, the closure of a pit will not, in the short run, reduce the total costs to be allocated but could result in a greater share of costs being allocated to each of the remaining pits. In the event of a pit closure similar consequences of higher charges for surviving pits could occur with allocations involved in 'other operating expenses' and Area and national overheads.

Many textbooks discuss the advantages and disadvantages of marginal and full costing in decision-making. While there are undoubted benefits to full costing, it is generally agreed that marginal costing is more appropriate for decisions such as the closing of pits. Items in the mining operating statement such as mining contract work, power, heat and light and salaries and related expenses at the colliery level, are all likely to disappear, even in the short run, if a colliery closes. These items comprised under 8% of the total costs in 1983/84.

On the other hand, the remaining items in the table are unlikely to alter directly with changes to the level of production at a specific pit.

No doubt a proportion of the 'other operating expenses' would be avoided if a pit closed. This item includes transport charges, rents and rates, insurance, dirt disposal and coal stocking. But it also includes surface damage costs, central coal preparation plants, Area survey costs, pumping, closure expenses and early retirement and redundancy costs, most of which will not be reduced even in the longer term by a pit closure. Indeed it is these items, most particularly the cost of surface damage and voluntary early retirement and redundancy

Coal mining operating statement

Collieries	1984			1983		
	Amount £m	Per tonne saleable £	Total cost %	Amount £m	Per tonne saleable £	Total cost %
Saleable output		m tonnes 89.9		m tonnes 104.3		
Turnover	3,642			3,954		
(Decrease) in stocks of finished goods	(76)			(10)		
Other operating income	5			12		
Value of production	3,571	39.70		3,956	37.95	
Operating grants	-	-		4	0.03	
Total income	3,571	39.70	-	3,960	37.98	-
Costs						
Wages, including allowances in kind	1,290	14.35	31.0	1,436	13.77	33.6
Wages charges	483	5.37	11.6	489	4.68	11.4
Materials and repairs	858	9.54	20.6	909	8.72	21.2
Mining contract work	11	0.12	0.3	11	0.11	0.3
Power, heat and light	188	2.09	4.5	199	1.91	4.7
Salaries and related expenses	122	1.35	2.9	125	1.20	2.9
Other operating expenses	571	6.35	13.7	503	4.83	11.8
Overheads and services	313	3.48	7.5	319	3.06	7.4
Depreciation	330	3.66	7.9	286	2.75	6.7
Total costs	4,166	46.31	100.0	4,277	41.03	100.0
Operating (loss)	(595)	(6.61)	-	(317)	(3.05)	-

Note: The saleable outputs shown above exclude tonnage extracted in the course of capital roadway development.

The above forms part of the Coal Mining Operating Statement from the NCB's 1983/84 Annual Report and Accounts. While individual collieries vary in their proceeds and costs per tonne, the table provides an average for these across all collieries and uses almost the same account classification as the F23.

costs, which have, according to the MMC, been rising most rapidly in recent years.

The cost of surface damage for the NCB as a whole rose from £132m to £200m between 1983 and 1984. This implies an allocation of £2.73 per tonne of deep-mined coal in 1984. Yet this cost does not relate directly to current (or indeed future) production but is an allocation of costs arising out of past production. As the annual report indicates (p 50) 'uncertainty exists about the future level and nature of the claims and the effect, if any, on these accounts cannot at this stage be assessed'. But it is clear that the closure of any pit will not affect past subsidence.

The exact allocation of costs for early retirement and pit closures cannot be identified from the table. However, the MMC indicates that for 1981/82, it amounted to 83p per tonne. Yet these costs are not related to current production and are likely to be increased if capacity is reduced! From such information as we can glean from published sources, it is clear that at least £3.56 of the £6.35 'other operating expenses' are fixed, and this does not include any allowance for the possibly fixed nature of central coal preparation facilities, survey costs and pumping of water from pits (both current and abandoned).

Overheads and services are 7.5% of unit costs and comprise Area and Headquarters-related costs. These costs, which are allocated on the basis of net operational expenditure, output and manpower, have also risen in real terms in recent years. Yet these too are largely fixed costs for the colliery and will not be significantly reduced by a pit closure decision.

Finally, depreciation represents 7.9% of average annual costs. This charge includes fixed assets at the pit (but only since the reconstruction of fixed assets in 1973), equipment in the plant pool and write-downs of equipment due to colliery closure. Depreciation of assets at the pit is not affected by closure; the original cost would merely be written off at a quicker rate! It is, of course, unlikely that these assets would have significant resale value.

The depreciation charge is indeed a sunk cost and does not relate to actual rates of extraction. All depreciation rates depend upon subjective judgements, such as size of reserves left, or bookkeeping rules, eg maximum periods of write-off, or judgements of what constitutes capital or revenue. For example, we understand major drivages are capitalised whereas lesser ones are not. Whatever, depreciation is a spreading of historical cost which

may have little relevance to future decisions. It would be of considerable relevance, however, to include an interest charge for the use of fixed assets. This was not done at the time of the MMC report but recent comments by Mr Butler, the NCB director general of Finance, suggest that the NCB is introducing a capital charge. Of course, given the limited sources of NCB finance (it borrows predominantly from the Treasury, not commercial sources) the rate charged would be contentious, as would be the value placed on the assets used by a specific colliery.

Clearly, what is relevant is the future rather than the past - that is, estimates of capacity, associated costs and net cash flows. However, these are not the accounts produced for public scrutiny. Inevitably such estimates rely on judgement and are capable of being challenged. Yet might not such assessments, given their crucial national importance and their inherent uncertainty, be much improved by wider public debate? Recourse to historical cost statements of dubious validity carries the danger of misleading rather than enlightening the current debate over the future of the coal industry. Take just one example - the suggested closure of Cortonwood Colliery which precipitated the current strike. In 1981/82, the MMC indicated that its receipts were £44.3 and its operating costs were £50.5, resulting in a loss of £6.2 per tonne (approximately £1.7m in total). Yet if we assume that the fixed-cost element (represented only by other operating expenses, overheads and depreciation) in that year was approximately the same proportion of total costs as in 1984, then 23.1% of the unit cost of £50.5 would not be avoided by the decision to close Cortonwood. That mine would, at least in 1981/82, have contributed £5.5 (£44.3-£38.8) per tonne to NCB operating performance.

This example is not intended to be definitive (and indeed is subject to numerous assumptions about whether costs at Cortonwood behave similarly to the average costs in NCB collieries). But it does indicate the difficulty of informed public debate about pit closures on 'uneconomic grounds'. The question remains about how 'uneconomic' is defined, from whose perspective and over what period.

Tony Berry, Teresa Capps and Trevor Hopper are lecturers at the Manchester Business School, Sheffield University, and Manchester University respectively. David Cooper is Price Waterhouse Professor of Accounting and Finance at UMIST. Tony Lowe is Professor of Accounting and Financial Management at Sheffield University.

Proposed "Accountancy" Article

Statement made at a meeting with Professor Lowe and his colleagues at Hobart House on the 6th December, 1984

1. Firstly, can I say that it is not the intention of myself or my colleagues to suppress valid criticism about the Board's procedures - this would be wrong. If there are proposals for improvements that can be put forward we would as always welcome them.

2. Our concern when we read the article was that it contained major misunderstandings and inaccuracies, and, therefore, its publication in that form could not be helpful to us, to the authors or to The Institute of Chartered Accountants in whose official journal it was intended to be included.

3. In any case, we had understood that we would be consulted upon any publications arising from the research work in North Derbyshire Area. This understanding had been honoured in the past and it would be helpful if Professor Lowe and his colleagues could confirm that this is the procedure which would be followed in the future. (they did confirm that this was their intention and regretted that the system had not been complied with on this occasion)

4. I now propose to make a few general comments which will be followed by a more detailed statement on some aspects of the article from Mr. Butler. I hope that we will then be able to have a discussion and to decide how we should proceed.

5. The broad implication of the article is that the F23 Colliery Profit and Loss Account is a flawed document and that in that form it is used for all major management decisions.

a) It is not correct that the F23 or any single document in any single business organisation can be designed to be used for all management purposes.

b) The F23 is designed within the accounting conventions used to provide a meaningful representation of results which is mainly used for accountability purposes. This allows:

(i) Trends of results and performance at a Colliery to be seen over periods of time.

(ii) Comparisons of actual results at a Colliery with the operating budget which is prepared in the same format and by the same accounting conventions.

(iii) It will of course, indicate those Collieries where unsatisfactory results are being obtained and where a further in-depth review of likely performance in the future is required.

6. The article implies that because of the high proportion of fixed costs at a Colliery, that many of these continue to be borne by the Industry, even when a Colliery has been closed. This is in fact not the case. Our experience indicates that within twelve months of closure, the fixed element of costs at a Colliery has reduced to something like 20%. The amount and the timing of the reduction varies somewhat depending upon the amount of salvage work that it is thought worthwhile to undertake. By the end of two years, we find these costs have reduced to 7%, and the average /on-going

going figure is about 3%. This mainly represents work which has to be undertaken to protect the surface and any installations that remain and in some cases also there is a need for continuing pumping of water in order to protect neighbouring Collieries that are still at work.

We also take vigorous action throughout the organisation to ensure that central and Area overheads are reduced to keep them in line with the continuing level of overall activity. I think this can be best demonstrated by remembering that when the Board was established in 1947, its structure below Headquarters level was 9 Divisional Boards and 50 Areas. When the Divisions were disbanded, a few years ago, the structure comprised 17 Mining Areas, they have now been reduced to 12 Mining Areas.

7. The article makes no reference to Colliery Action Programmes. You must have seen these during your work in North Derbyshire Area. They are rolling 18 month programmes which are revised quarterly, dealing with the future prospects in respect of output, manpower, coalfaces, capital projects and all underground developments. These are a major part of the decision making process.

8. You have made no reference in the article to the Colliery¹ Review Procedure. You cannot fail to be aware of this, again from your visits to North Derbyshire and also from the great deal of publicity that it has recently received. This very detailed review of all aspects of the Colliery is carried out in respect of every activity in the Board, at least quarterly. When an activity is in difficulty in-depth reviews are undertaken of its market prospects, of its production potential, of its capital needs and of its likely forward financial results. This is the major procedure whereby decisions about the future of individual activities are taken, and as I said there is no reference to it in the article.

9. Similarly, there is no reference in the article to the whole complex planning and accountability procedures of the Board. We have as you must know, ten-year National Planning exercises for the output of Collieries, five-year geological plans for each Colliery, five year projections of results for Areas, annual budgets for Areas and Collieries and quarterly accountabilities for Areas and Collieries. This again forms a major part of the Board's decision making mechanisms.

10. I hope that I have in these introductory remarks been able to demonstrate to you that the Colliery F23 is not used for the purposes which the article implies.

F. B. Harrison

Summary of points made to Professor Lowe and Professor Cooper
of Sheffield and Manchester Universities and their colleagues
at a meeting on 6th December

The title and some of the statements made in the article, particularly the opening paragraph are highly contentious and not, we believe, supported by an objective analysis.

There is a substantial implication throughout the article that the National Coal Board use the historical profit and loss account (F23) as a basis for future decision making and without recognising the need for identification of any fixed cost element within total costs of a colliery which will not immediately be saved upon closure of the colliery. The Board point out that the main purpose of the F23 is that of an accountability document by which the monthly and annual results of the colliery can be compared with budget and previous periods and upon which accountability with management can be based. It is only one of a considerable number of sources of information upon which future management decisions will be based. Decisions regarding the future will take account of likely changes in the geology of coal reserves yet to be mined, changes in the market environment, changes in cost levels due to wage negotiations etc. and also the improvement which might be available from capital expenditure. All these matters are taken into account in planning the future of any colliery and assessing its future financial performance .

Reference is made in the article to the "illusory" characteristic of the F23 proceeds due to major interdependencies in the energy market. We would make the following points in response:

The NCB's price to CEGB is based not as suggested on arbitrary negotiations but on a careful competitive stance whereby we aim to ensure that cost of coal delivered to power stations is substantially in line with the cost which would have been incurred by CEGB if they were to transport imported coal to the power station locations, e.g. Trentside or Thameside. We adopt a similar stance of comparability with imported coal prices in our negotiations with industrial customers whilst prices to BSC are fully aligned to the cost of imported coking coal. It is true that the cost of imported coal depends heavily on transportation costs and also, for that matter, on the valuation of the dollar against the pound, but we maintain that these considerations are no different to those which any commercial organisation must take into account when setting their pricing policy.

It is stated in the article that over-production has resulted from the policy of crediting proceeds to the F23 on the basis of saleable output rather than coal actually sold. The Board's accounting in this respect is fully in line with the accounting standard and coal put to stock is credited to revenue at a value representing the lower of cost or net realisable value. As coal stocks increased above 20m tonnes for the industry as a whole, it was recognised that a policy of establishing net realisable value relating to coal prices obtained on the inland market placed too high a value on the economic worth of such stocks and in the Board's 1981/82 accounts, as stated in the accounting policy note 14, the value of coal stocks in excess of 20m tonnes was based on net realisable value relating to the current export realisations. At March 1982 the net export realisations was £25 per tonne but by March 1984 due to deterioration of the export market this value has fallen to £20 per tonne.

This policy of valuing excess stocks in relation to export prices was designed to achieve the twin objectives of both placing a true economic value on coal put to stock and also giving a disincentive to managers to continue to maximise the output of coal where the costs of doing so were higher than the true value of the coal. It was therefore designed to meet the specific criticism levelled in your article.

Later in the article you refer to the "book keeping innovation" of crediting output greater than the pits budgeted output at a value of £18 per tonne. The £18 per tonne valuation was that which was placed upon output surplus to requirements when the 1983/84 budget was framed. As set out above, the final accounts for 1983/84 were based on a valuation of £20 per tonne related to all net increases in coal put to stock in that financial year. The purpose was to motivate managers to reduce output in an efficient way by cutting out high cost elements (faces or districts) of colliery output where production was not financially viable. We have very little evidence that this policy led to a general suppression of output across the board in a way which would have caused an increase in unit cost per tonne as indicated in the article. Your fear that any such increase would have affected the amount of future investment in a pit and would therefore give rise to a considerable risk of becoming self fulfilling, is quite groundless. As we have said above, all assessments regarding investment will relate to estimates and projections of the future performance of a pit calculating the net benefit which will arise from such investment to ensure that it is financially viable. At the most, a loss shown in an F23 acts as an alarm signal to indicate that prospects for the pit clearly need some examination.

The article makes the point that a number of costs in the colliery F23 are of a fixed nature, and give as examples Plant Pool costs, surface damage, redundancy (VERS), Overheads and Depreciation.

- a) Plant Pool - it is agreed that the depreciation element of Plant Pool costs (the other major element is repair costs) would not be immediately saved on the closure of a colliery. On the other hand, it would enable the equipment to be transferred to a continuing pit and thus avoid the need for further capital expenditure to equip that pit. This in turn will give rise to a reduction in the overall level in depreciation borne by the Plant Pool in future years.
- b) Surface Damage - the objective of the surface damage provision is to cover the outstanding liabilities in respect of damage caused or still to be caused arising from all mining carried out up to the date of the balance sheet. In 1982/83 and subsequent years the method of calculating this provision was improved so that from that year and in subsequent years it was related to a technical estimate produced in considerable detail to assess the likely physical damage being caused by the current and previous years mining and the estimated subsidence costs which would ensue. The only part of the charge for surface damage provision which does not relate to the current year's mining therefore, is any adjustments relating to under/over estimate of the provision for past years and adjustment for inflation to bring the provision up to current price levels each year.
- c) Redundancy - The cost of voluntary early retirement which you identified at 83p in 1981/82 is reducing substantially each year due to the introduction of Redundant Mineworkers Scheme (cost borne by the government). It is a cost which continues in the event of a colliery closure but by the current year the budgeted cost was expected to be only some 36p per tonne.

Overhead Expenditure - overheads consist of costs of national headquarters, Area headquarters, Research and Development and Regional Services, e.g. Marketing, rescue, training, Scientific Laboratories and Medical Centres. A substantial part of the cost of Regional services can be varied reasonably directly according to the number of men and collieries, particularly since the wages cost of men undergoing training is a substantial part of this figure. Overheads of Area and Headquarters level vary less directly but it is the policy of the Board to ensure that overhead costs come down in line with any reduction in mining capacity. In this respect the number of Areas in the Board has reduced from over 50 in 1948 to only 12 at the present time. A policy of reducing staff numbers and costs at national headquarters by at least 5% each year has also been adopted.

- e) Depreciation - the comments on depreciation are similar to those already indicated under Plant Pool. It is true that depreciation in so far as it applies to assets which cannot be transferred to continuing collieries is a sunk cost, but what is saved in the future is the capital expenditure which any colliery continuing in operation must incur in order to equip new faces and replace worn out plant and equipment.

Generally we have found, as we indicated to the MMC (para. 8.8) that colliery operating costs reduce to 20% of the pre-closure level in the first year following closure, 7 % in the second year and 3% in the third year.

In your calculation of the contribution of Cortonwood colliery you took the loss made by the colliery in 1981/82, adding back the VERS cost for that year (83p per tonne) but also adding back the 1983/84 national averages for surface damage, overheads and depreciation. As indicated above, surface damage provision is designed to cover the total liability for past mining up to the date of the balance sheet and therefore should be sufficient to cover the full liability in respect of any colliery which closes, except adjustment for inflation. Furthermore, the national provision in 1983/84 was materially affected by the high level of provisions necessary for the Nottinghamshire Areas which have no relationship to Cortonwood. The national depreciation level in 1983/84 was also much higher than that applicable to Cortonwood since it included depreciation on major projects, e.g. Selby. As we have indicated above, we would by no means regard all the overhead and depreciation costs as fixed or sunk but even if one did make this assumption, a calculation adding back the specific figures for Cortonwood in 1981/82 would reveal that a small negative contribution of £0.20 per tonne was made by that colliery in 1981/82. However, the decision to close Cortonwood was based not on past results but on future prospects. These were materially affected by very limited and deteriorating coal reserves at Cortonwood which, at the best, will be exhausted by 1989 and become increasingly costly to work during the interim period. Furthermore, the market for the 401 rank coking coal produced by Cortonwood has deteriorated. It was no longer required by BSC and the only significant market available was to export via Immingham at very low net proceeds.

7.12.84

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10 DOWNING STREET

THE PRIME MINISTER

10 December 1984

Dear Mr. Blackman,

Peter Walker has told me about the splendid job you and your colleagues in the CEGB are doing to keep the nation supplied with electricity during this difficult period.

On behalf of the Government, and all electricity consumers, I would like to thank you for your hard work and dedication and wish you continued success in this vital task.

Yours sincerely

Margaret Thatcher

G. A. W. Blackman, Esq., C.B.E.

ea

01-405 7641 EXT.

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

SECRET

File 32

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

10 December 1984

Dear Andrew,

INDERMINITY TO SEQUESTRATORS.

I enclose briefing on this matter. In the time available it has not been possible to clear it with Energy and the Treasury.

A copy has been sent to the Private Secretaries to all members of Cabinet, ~~and~~ to the Private Secretary to the Chief Secretary (Treasury) and to Gerald Hosker (Deputy Treasury Solicitor).

Yours sincerely,
Stephen Hyett.

Andrew Turnbull Esq
Prime Minister's Office
10 Downing Street
London SW1.

THE INDEMNITY BY THE ATTORNEY GENERAL TO THE
SEQUESTRATORS OF THE NUM'S ASSETS

Possible Questions

1. What are the legal proceedings to which the indemnity relates?

They are proceedings to enable the assets of the NUM to be brought under the control of the sequestrators who were appointed by the High Court (Nicholls J.) on 26 October 1984 in the case of Taylor and Foulstone v. National Union of Mineworkers (Yorkshire Area) and the National Union of Mineworkers, following the non-payment of a fine imposed on the NUM for contempt of court. Messrs. Taylor and Foulstone are two working miners.

2. What does the indemnity cover?

The costs and expenses reasonably and properly incurred by the sequestrators as officers of the court in carrying out their duties to the court.

3. Why was the indemnity given?

In order that the sequestrators as officers of the court should not be prevented by lack of resources from carrying out the order of the court.

4. Why was the indemnity given by the Attorney General?

It is the proper concern of the Attorney General, as guardian of the public interest, that the law should be upheld and the orders of the court should not be successfully defied.

5. Why has the Government given an indemnity in this particular case, to which it is not a party, and not in others?

The sequestration was not ordered to enforce a judgment in favour of one of the parties to the action. It was ordered following the non-payment of a fine imposed for deliberate contempt of court by the NUM. The NUM not only

made it clear that it would not obey the order of the court, but it tried to defeat the court's order by transferring its assets abroad and keeping them abroad. It thereby increased the difficulty and cost of the sequestrators of fulfilling their obligation to the court. It is not in the public interest that the order of the court should be frustrated through lack of funds.

6. Has the Government paid out any money under the indemnity?

No.

7. Is not the effect of the sequestration to punish the members of the NUM, not its officials?

We are concerned only with the indemnity, not with the order appointing the sequestrators or with the fine imposed on the NUM for contempt of court. In any case, it is not for us to comment on an order of the court.

8. Under what legal power was it given?

Under the common law powers of the Crown. The Crown has the same freedom as any other individual to give an indemnity unless precluded by statute. Since the Crown is dependent upon Parliament to vote the necessary funds, it has been agreed between the Committee of Public Accounts and the Treasury that where a need to incur contingent commitments arises from a continuing policy requirement power should be conferred by statute. However, where the giving of an indemnity is a one-off exercise, as here, it is proper to rely on the Appropriation Act to provide the funds.

9. Why was the House only informed by means of a Supplementary Estimate?

There was adequate information supplied with the estimate.

10. Why was a minute about the continued liability not laid before the House?

The information supplied with the Supplementary Estimate provided all the relevant details.

11. Is the liability under the indemnity unlimited?

Yes. If the sequestrators are successful in taking early control of a significant amount of NUM funds, it is unlikely that the Crown will have to make any payments under the indemnity. If there is a delay before the sequestrators are successful, any payments by the Crown under the indemnity will be repayable by the sequestrators out of NUM funds subsequently recovered by them. //

12. How many firms of ^wlayers are involved on behalf of the sequestrators?

Five. Apart from the sequestrators' London solicitors, firms are currently instructed by them in the Republic of Ireland, Luxembourg and Switzerland. There were also proceedings in the Isle of Man but these have recently been discontinued.

[Isle of Man]

The action has now been abandoned.

Estimate of the legal charges incurred - £3,000.

Republic of Ireland

Estimate of the costs so far £25,000.

Luxembourg

Estimate of the costs so far - £5,000.

Switzerland

Estimate of costs so far - £5,000

London

Clifford-Turner [costs so far estimated at £20,000]

13. What is the estimated amount of the sequestrators' costs to date which are covered by the indemnity?

About £30,000.

14. Can the sequestrators start new proceedings and be covered by the indemnity?

Only if they consult the Attorney General and he agrees that the indemnity will apply to the new proceedings.

15. What expenditure other than the sequestrators' costs and expenses are covered by the indemnity?

Any payment which may be due under a cross-undertaking as to damages which may have to be given in the Dublin proceedings.

16. Has the Government given indemnities to sequestrators before?

We know of no other case where either the Attorney General or the Lord Chancellor has given an indemnity, or any other Minister.

17. Does the indemnity cover the costs and expenses incurred by the receiver?

No.

The receiver

The receiver was appointed in a separate action, Clarke and others v Heathfield and others. In that action sixteen working miners sought the removal of the three existing trustees, Mr. Scargill, Mr. Mchahey and Mr. Heathfield, on the ground that they were not fit and proper persons to control the funds. Originally, Mervyn Davies J. appointed a Derbyshire solicitor, Mr. Brewer, as provisional receiver for one week, but on Friday December 7 he appointed Mr. Michael Arnold, the senior insolvency partner with the accountants Messrs. Arthur Yound McClelland Moores. The indemnity does not extend to the receiver.

Difference between receiver and sequestrators

The receiver has been appointed to take control of the union's funds in order to protect them from, for example, being depleted by further fines or being used for unlawful purposes since the strike was not called in accordance with the union's rules, expenditure on the strike may be expenditure for an unlawful purpose.

The sequestrators were appointed following the failure of the NUM to pay the fine imposed for contempt of court. Whereas the purpose of the appointment of a receiver is to protect the union's funds, the purpose of sequestration is to force the NUM to purge its contempt.

INDEMNITY TO THE SEQUESTRATORS OF THE NUM'S ASSETS

On the 13th November the Attorney General, on behalf of HMG, orally gave the sequestrators of the NUM's assets an indemnity to cover the costs and expenses reasonably and properly incurred by them in carrying out their duties in pursuance of their appointment by the Court.

Appointment of sequestrators

2. The sequestrators were appointed by Nicholls J. on the 26th October 1984 in the case of Taylor and Foulstone v. National Union of Mineworkers (Yorkshire Area) and the National Union of Mineworkers following the non-payment of a fine imposed on the union for contempt of court. The action had been brought by two working miners in the Yorkshire Area and Nicholls J. had, on 28th September, made an order restraining the NUM from, among other matters, urging members to strike by describing the strike as official. Knowing of the order the National Executive Committee of the NUM issued a statement on 1st October reaffirming that the strike was official.

3. On 10th October Nicholls J. fined the NUM £200,000 for contempt of court and ordered that if the fine was not paid within 14 days he would consider ordering the sequestration of the NUM's assets. In fining the NUM Nicholls J. took into account six factors -

(1) the claim in the action was founded on the NUM's own rules and constitution. The relevant principles of law were the ordinary, well-established principles of the law of contract:

(2) the acts comprising the contempt were also breaches of orders made by three other judges from 25th May onwards, relating to the Nottinghamshire, North Wales, North Western and Midlands Areas:

(3) if the NUM considered that any of the orders had been wrongly made it had the right of appeal to the Court of Appeal:

(4) the NUM had in July 1984 knowingly breached an order by Vice-Chancellor Megarry regarding a resolution introducing a new disciplinary rule:

(5) there was deliberate refusal to comply with the express terms of an order:

(6) the wilful disobedience had been committed with maximum publicity by a large and powerful body, bent on showing that it was untouchable.

4. Mr. Scargill was also fined £1,000 for contempt of court, but his fine was paid. The union did not pay its fine and on 26th October Nicholls J. ordered the appointment of four sequestrators, Brian Larkins, Peter Padmore, Peter Barrows and Edward Holtall, Partners in Price, Waterhouse.

CIRCUMSTANCES LEADING TO THE GIVING OF THE INDEMNITY

5. By 12 November only about £8,500 of the NUM's assets had been seized by the sequestrators. The sequestrators had, however, discovered that the vast majority of the NUM's funds had been transferred to the Isle of Man and from there to Luxembourg and Switzerland (via the United States) and to the Republic of Ireland. The funds coming to the NUM and liable to seizure in the UK amounted only to a trickle. The costs that had been incurred already and which would be incurred in obtaining the assets in the Republic of Ireland, Luxembourg and Switzerland would be well in excess of the assets likely to be seized in the U.K. If they ^{were} are not given an indemnity against those costs the sequestrators were thought to be unlikely to persist with the proceedings and, if they did not do so, ^{the} a sequestration would be frustrated.

6. In addition, the High Court in Dublin had granted a temporary injunction until the main action between the sequestrators and the NUM was heard. The Dublin High Court had required the sequestrators to give a bond to cover any damages that might be awarded should judgement be given against the sequestrators at the hearing. In the absence of an acceptable bond, the sequestrators would have had to give an undertaking to pay the damages themselves. A bond was in fact obtained but not until after the Attorney General had given the indemnity.

7. In these circumstances the Attorney General was authorised to give the indemnity.

WHAT HAPPENS GENERALLY IN SEQUESTRATIONS

8. The usual arrangements for the payment of sequestrators is that they are paid out of the assets seized. Thus, before

sequestrators are appointed the court needs to be satisfied that the person or body whose assets are being sequestrated is solvent. If it transpires that the assets are likely to be less than the costs of the sequestration, the sequestrators ask to be discharged by the court.

9. The Government has not given an indemnity to sequestrators before. So far as we have been able to discover, the Government has never received a request for one. It seems that such a planned strategy to transfer assets out of the reach of the court is rare.

10. Sequestration is a method of enforcing judgements or orders of the court by proceeding against the property of a person in contempt of court. It can be issued by the court only where the person against whom it is issued is in contempt by disobedience to an order of the court.

11. In this case the writ of sequestration was in the usual form and ordered the sequestrators to take possession of all the assets of the NUM and to keep the same until the NUM paid the fine of £200,000 and cleared its contempt.

12. Sequestrators are required to take possession of the assets and to hold them until the contempt is cleared. They must apply to the court for any orders necessary to complete their seizure of the property and for orders of management. They have no power to sell the property seized without an order of the court.

THE RECEIVER

13. The receiver was appointed in a separate action, Clarke and Others v. Heathfield and Others. In that action sixteen working miners sought the removal of the three existing trustees, Mr. Scargill, Mr. McGahey and

Mr. Heathfield, on the ground that they were not fit and proper persons to control the funds. Originally, Mervyn Davies J. appointed a Derbyshire solicitor, Mr. Brewer, as provisional receiver for one week but on Friday December 7th he appointed Mr. Michael Arnold, the senior insolvency partner with the accountants, Messrs. Arthur Young McClelland Moores. The indemnity does not extent to the receiver.

DIFFERENCE BETWEEN RECEIVER AND SEQUESTRATORS

14. The receiver has been appointed to take control of the various funds in order to protect them from, for example, being depleted by further fines or being used for unlawful purposes. Since the strike was not called in accordance with the union's rules, expenditure on the strike may be expenditure for an unlawful purpose.

15. The sequestrators were appointed following the failure of the NUM to pay the fine imposed for contempt of court. Whereas the purpose of the appointment of a receiver is to protect the union's funds the purpose of sequestration is to force the NUM to purge its contempt.

16. The receiver is under a duty to obtain possession of the assets of the NUM. He will be subject to the order of sequestration and, unless otherwise ordered by the court, obliged to transfer the assets that come into his possession to the sequestrators.

LINE TO TAKE

The indemnity was given to the sequestrators because there was a real risk that the sequestration would be frustrated through lack of funds. It was ordered following the non-payment of a fine imposed for deliberate contempt of court

by the NUM. The NUM not only made it clear that it would not obey the order of the court, but it tried to defeat the court's order by transferring its assets abroad and keeping them abroad. It thereby increased the difficulty and cost to the sequestrators of fulfilling their obligation to the court. It is not in the public interest that the order of the court should be frustrated through lack of funds.

File 31

Daily Coal Report - Monday 10 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	17
(iii) Some men present	75
(iv) On strike/picketed out	35

Area attendances were as follows.

			<u>Change on</u> <u>Friday</u>
Scotland	(24 hr attendance)	2,334	+ 24
North East	(24 hr attendance)	3,061	- 111
Yorkshire	(24 hr attendance)	2,835	- 18
North Derbyshire	(24 hr attendance)	4,338	- 222
Western	(morning shift)	6,171	*
South Wales	(morning shift)	120	- 5
Kent	(morning shift)	109	- 1

* No comparison with Friday's 24 hour figure available.

Coal Movements

950,000 tonnes were moved last week, of which 644,000 went to the CEGB.

164 coal trains ran last week, including 29 on Friday.

Law and Order

Quiet.

NUM

The NUM has today officially denied that a letter sent recently to the Coal Board about pay amounted to an official pay claim. An NUM spokesman said the letter was a reminder that its members had not had a pay rise for two years.

Pit fire at Rossington

The fire here, which has been burning since Friday, threatens serious damage to new coalfaces. The local NUM branch are still refusing to co-operate with management to bring the fire under control.

High Court

The hearing has opened in the case of two working miners who are seeking orders against three Derbyshire NUM officials for repayment of the £1.73 million spent by the area on the dispute.

The Welsh miner who was last week given leave to inspect the minute books of the South Wales NUM today told a High Court judge that he proposed to bring new proceedings. He proposes to seek an injunction banning the area union from spending money on the strike and a further ruling that the strike is unlawful because of the use of mass pickets.

Receiver

The Irish court has adjourned until 14 January the Receiver's attempt to recover the £2.7 million of NUM funds lodged in a Dublin bank.

Sequestrators

The Opposition has reacted against today's announcement about the availability of funds to assist Price Waterhouse. Mr Orme claimed that the Government were interfering in the work of the courts and said there was no statutory authority for such a move.

STUC

Members of MISC 101 will be aware of the STUC's request for a meeting with the Prime Minister.

Line to Take

More than 100,000 members of the coal industry refuse to have any part in this strike. In the coalfields of Britain there is growing determination that the militants will not succeed. The number of court cases which ordinary working miners are seeking to bring against the NUM is one indication of this. Another is the fact that over the last month more than 16,000 miners who had been on strike have returned to work.

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

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

COVERING SECRET

Copy No 1 of 4



30
Prime Minister (2)

AT
10/12

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

10 December 1984

Dear Andrew,

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

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

Yours ever

John

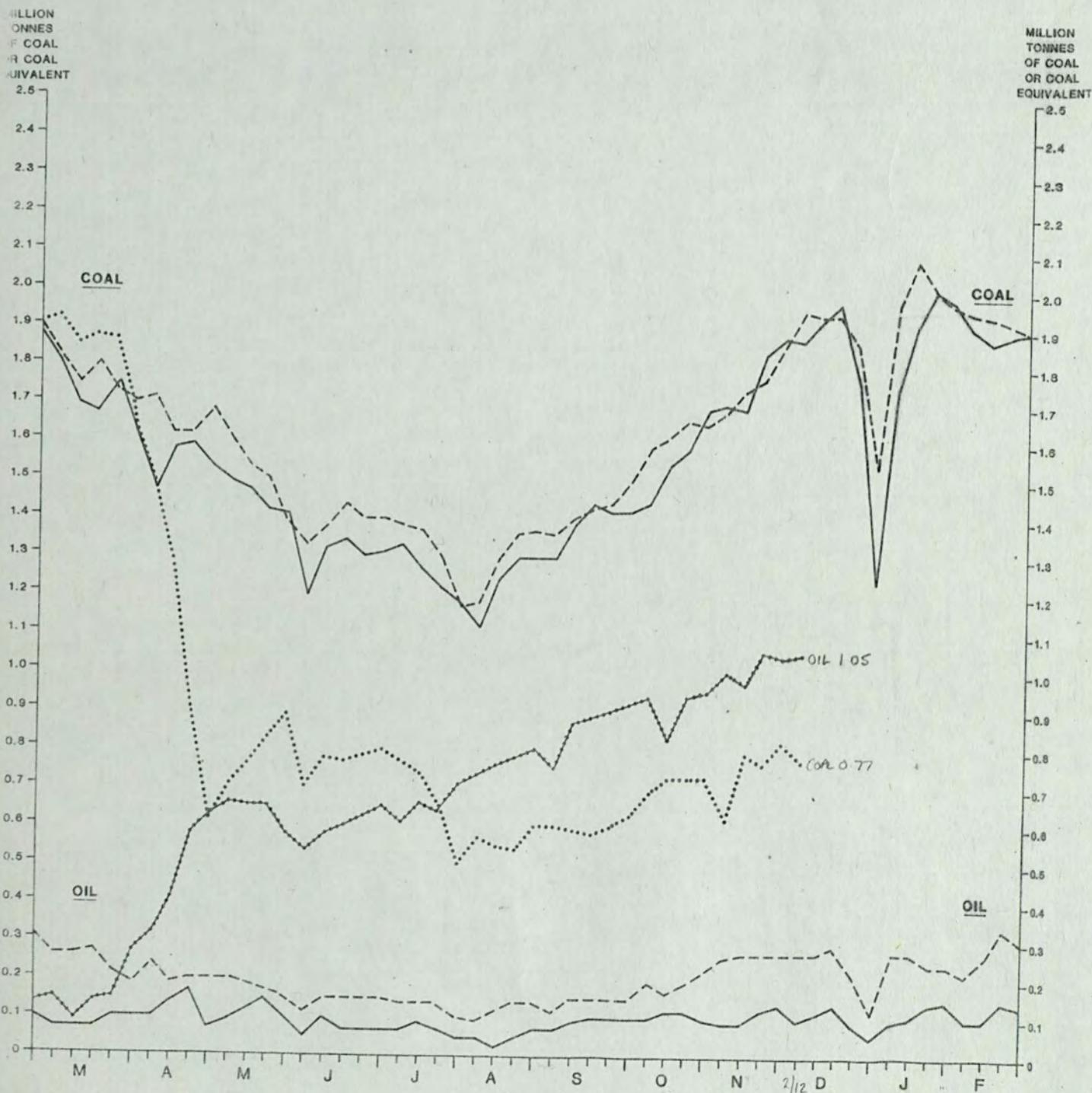
J S NEILSON
Private Secretary

COVERING SECRET

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



WEEKLY COAL AND POWER STATION STATISTICS (1)

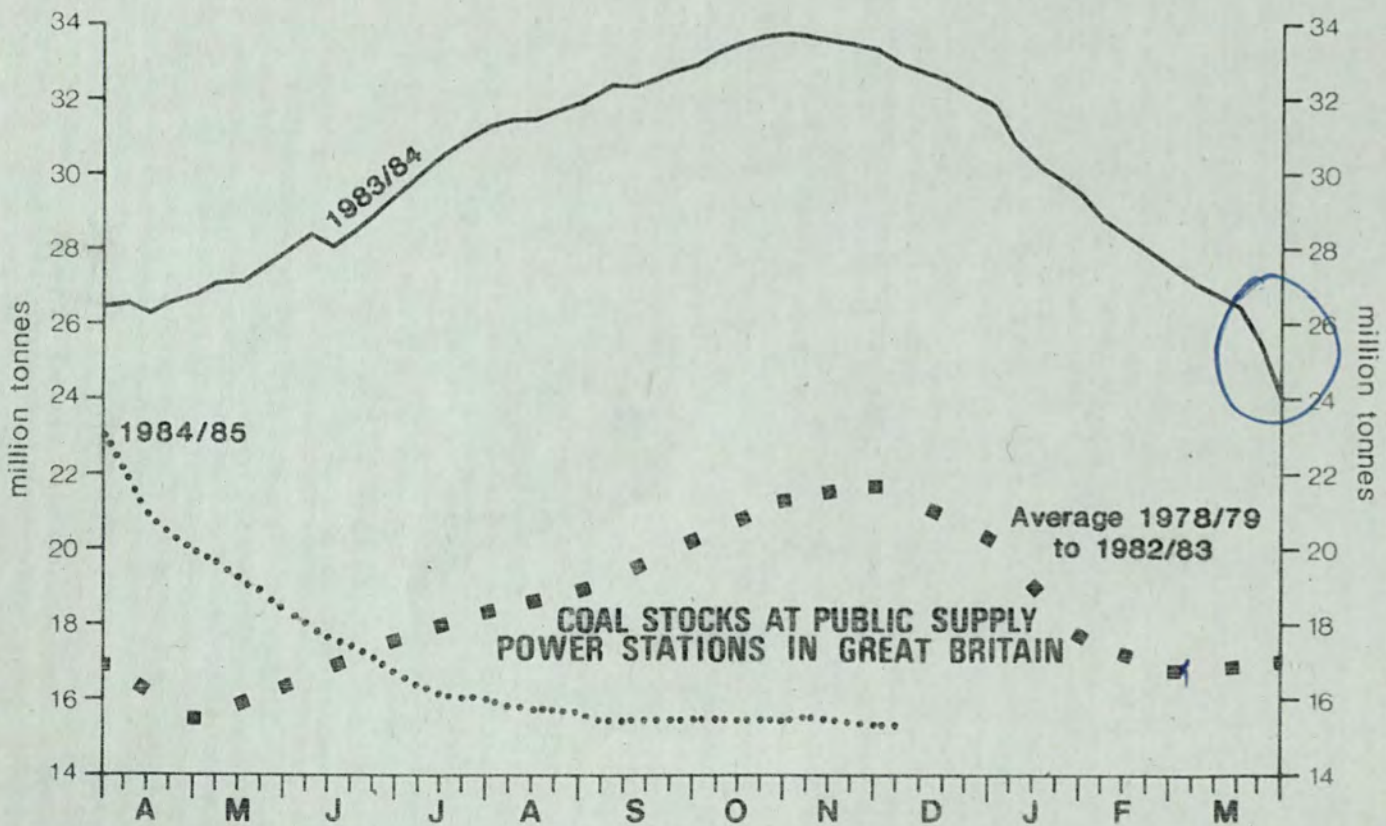
S Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

Week ending 3-12-83 : 10-11-84 17-11-84 24-11-84 1-12-84

a small increase in production

PRODUCTION		deep mines+	1-86 :	0-57	0-57	0-60	0-60
J U A L	(m. tonnes)	opencast+	0-32 :	0-25	0-25	0-27	0-28
	TOTAL		2-18 :	0-82	0-82	0-86	0-88
	PRODUCTIVITY(2)	'overall' o.m.s	2-45 :	2-45	..	..	..
	(tonnes/manshift)	'production' o.m.s	10-21 :	11-71	..	..	..
UNDISTRIBUTED STOCK							
	(m. tonnes)	TOTAL	<u>24-39 :</u>	21-27	21-12	21-09	<u>21-08</u>
O C T O B E R	COAL STOCKS	(m. tonnes)	32-75 :	15-52	15-45	15-32	15-27
	COAL CONSUMPTION	"	1-87 :	0-79	0-76	0-82	0-77
	COAL RECEIPTS	"	1-63 :	0-71	0-69	0-69	0-72
N O V E M B E R	OIL STOCKS(3)	"	1-34 :	1-33	1-29	1-18	1-20
	OIL CONSUMPTION(3)	"	0-06 :	0-57	0-62	0-61	0-62
	OIL RECEIPTS(3)	"	0-08 :	0-65	0-52	0-44	0-56
D E C E M B E R	ELECTRICITY SUPPLIED (4) (Gwh)		:				
	Nuclear	"	849 :	924	886	864	925
	Other Steam	"	4,442 :	3,953	4,090	4,231	4,151
	TOTAL	"	5,290 :	4,877	4,976	5,095	5,077
	TOTAL - temperature corrected	"	5,290 :	4,855	5,011	5,188	..

(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.



INDEMNITY GIVEN TO SEQUESTRATORS OF NUM FUNDS

STATEMENT BY THE ATTORNEY-GENERAL

With the leave of the House, I wish to make a statement concerning the indemnity which I gave, on behalf of the Government, to the sequestrators of the assets of the National Union of Mineworkers.

As the House will know, on 28 September of this year, Mr. Justice Nicholls gave judgment on an application which had been made ~~by the plaintiffs~~ in an action brought by two working miners, Mr. Taylor and Mr. Foulstone, against the National Union of Mineworkers. In his judgment, Mr. Justice Nicholls restrained the NUM from, among other things, describing the strike in the Yorkshire area as official since it had not been called in accordance with the rules of the union. Despite that order, and in full knowledge of it, the National Executive Committee of the NUM and its senior officials made statements which affirmed the strike as official. This was a deliberate contempt of court by the union and on 10 October Mr. Justice Nicholls fined the union £200,000 and ordered the fine to be paid within 14 days. He made it clear, that, if it were not paid, the union risked having its assets sequestrated. In imposing the fine, the Judge said (and I quote):

"A great and powerful trade union, with a large membership affected by the court orders in question, has decided to regard itself as above the law, and to make this plain repeatedly, emphatically and publicly on a nationwide basis."

The fine was not paid within the 14 days and Mr. Justice Nicholls therefore appointed sequestrators, as he had warned the union to expect, on 26 October.

The sequestrators accordingly set about taking possession of the assets of the union. However, by about 11 November, they had been able to seize assets only to the value of some £8,500. The vast majority of the remaining assets of the union - amounting to many millions of pounds - had apparently been transferred by the union to banks in various countries abroad in a deliberate attempt to put them out of the reach of the court. The sequestrators, as was their duty, took steps ⁱⁿ the countries in question to obtain possession of the funds which had thus been spirited away and in particular instituted proceedings in the High Court in Dublin where they had traced a substantial deposit of the funds. For the purposes of these proceedings it seemed likely that the sequestrators might be required to incur considerable financial liability themselves, including having to give a financial undertaking to the court. In those circumstances, I understand that they enquired from the High Court in this country whether this potential liability could be covered by funds at the disposal of the court and were told that there were no funds available to the court for that purpose. There was no communication at any time between Mr. Justice Nicholls and my Department.

When I learned of this situation, it seemed to me to be quite contrary to the public interest to allow the risk of the sequestration being frustrated in this way to continue. On the one hand, it was not right to expect the sequestrators to incur this increasing substantial financial liability themselves even if, at the end of the day, they could look to reimbursement out of the union's funds. On the other hand, it was totally unacceptable that the order of the court, made following the

non-payment of a fine imposed for deliberate contempt of court, should be defeated by the union's tactics of transferring its assets abroad and keeping them abroad. I therefore sought and obtained authority to give the sequestrators on behalf of the Government, an undertaking to indemnify them against the costs and expenses which were reasonably and properly incurred by them in carrying out their duties in pursuance of their appointment by the court. In the knowledge that that undertaking is available, they are now pursuing actions in various jurisdictions abroad to recover the assets which were surreptitiously removed from this country. The contempt of court committed by the NUM will therefore be punished and the law will be properly upheld.



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6400.....
Switchboard 01-213 3000

Patrick Cormack Esq FSA MP
Parliamentary Office
Norman Shaw (South) Buildings
The Embankment
LONDON SW1A 0AA

Pre Minutes:

*This will not give
Patrick Cormack
much comfort*

Dr
7th December 1984

7/12.

*Dr Patrick,
REDAUNDANT*

MS

REDUNDANCY MINERS UNEMPLOYMENT BENEFIT

Thank you for your letter of 26 November about the unemployment benefit position of redundant miners during the current dispute and the hardship this is causing.

First of all I should like to confirm that the legal basis of this issue is as you correctly described it. Although mineworkers who work normally up to their redundancy date have been allowed benefits those who, at the date their redundancy took effect, had already lost employment because of the dispute and had been disqualified from receiving benefit continue to be so disqualified, in the words of the Act "..... so long as the stoppage continues" As the law stands this position is unaffected by their returning to work in the meantime. What counts is whether the stoppage of work has ended or not.

As you know, decisions on individual cases are made neither by Ministers nor by officials who are under their control. They fall to be dealt with by the independent adjudicating authorities who are, firstly, an Adjudication Officer, on appeal a Social Security Appeal Tribunal and, on further appeal, the Social Security Commissioner. The independence of these authorities prevents Ministers from intervening or even commenting on their decisions. I am sure you will understand that, as far as interpretation of the existing law is concerned, I cannot say anything further, nor can I comment on the appeals against continued disqualification in the circumstances you described which are currently awaiting decision by the Social Security Commissioner.



As the law stands I cannot intervene in the decision-making process but I do recognise that the cases you have mentioned raise important questions of policy as well as difficult issues of interpretation. As you know, Norman Fowler is responsible for social security policy and he will want to respond to you himself on this aspect of the matter.

I am sending a copy of this letter to the Prime Minister and to Norman Fowler.

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PRIME MINISTER

7 December 1984

NCB/NUM DISPUTE - THE LATEST REPORT ON CRIME

Both the police and the Home Office confirm a slowing down in the spate of crimes related to this dispute. The decline is due to the fact that miners' pickets are not congregating in such large numbers. Intimidation, however, is rife, and the commission of serious offences is increasing.

Up until 4 December, 8,688 arrests had been made during the present dispute; out of this number, 7,249 persons were charged.

51% of these cases have been disposed of in Crown Court or Magistrates' Court; 11% were found not guilty. Nearly all the cases have been dealt with in the Magistrates' Courts. Additional stipendiary magistrates were appointed for eight towns; they continue to sit in four - Chesterfield, Pontefract, Rotherham and St Helen's.

The Lord Chancellor's Department is currently planning the appointment of more stipendiary magistrates in two new places, and is responding to requests for help. It does not consider it necessary to appoint any additional Assistant Recorders.

Conclusion

- Although the overall crime figures may be levelling off, there is still cause for much anxiety over the

trend towards the deliberate use of violence and intimidation as a tactic in the dispute.

- There is considerable evidence that local constabularies are getting to grips with the problem and have welcomed new proposals for the use of computer technology. One is already in use.

- There is progress towards the apprehension of conspirators behind some of the intimidation.

- 49% of the cases charged have still not been disposed of. We recommend that the Lord Chancellor's Department do something more positive than to "respond to requests for help".

Hartley Booth

HARTLEY BOOTH



28

SECRET

P.01454

PRIME MINISTER

MISC 101(84)50th Meeting: Coal

You will wish to ask for reports from:

- i. the Secretary of State for Energy on
 - the number of pits and miners working
 - current relations between the NCB and NACODS
(press reports suggest that only 53 out of 5000 deputies in Yorkshire are at work and 44 of these are at one pit, Manton; it has also been suggested that NACODS may not accept the 5.2 per cent pay offer for 1984-85 accepted by BACM)
- ii. the Home Secretary on
 - law and order
- iii. the Secretary of State for Employment on
 - TUC activity in support of the NUM
- iv. the Attorney General on
 - progress in the legal actions against the NUM
 - developments over the fine imposed on the TGWU
(the deadline for payment is Monday)
 - the prospects for the action brought by a striking miner challenging the deduction for supplementary benefit from deemed strike pay



SECRET

Independent advisory body

2. Since this will probably be the last MISC 101 meeting chaired by you before Christmas, you may wish to ask the Secretary of State for Energy whether (as requested at MISC 101(84)48th meeting on 20 November) he has yet been able to explore the NCB's thinking on the independent advisory body which, as agreed with NACODS, is to be part of the colliery review procedure. What kind of people would be members, what would be their terms of reference and how would their advice fit into the existing procedure?

Next meeting

3. There is a slot for MISC 101 provisionally set aside in your diary for 9.30 on Wednesday 12 December but, unless there are serious developments, I presume you will be content to have the next discussion under Industrial Affairs at Cabinet on Thursday 13 December. While you are away next week we have arranged for the Lord President to chair a meeting of MISC 101 on Tuesday 18 December at 11.30am.

PLG

P L GREGSON

7 December 1984

27

Daily Coal Report - Friday 7 December 1984

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	17
(iii) Some men present	75
(iv) On strike/picketed out	35

Yesterday's final total of new faces was 69. This morning 39 new faces reported, bringing to 15,951 the total who have returned since 5 November.

			<u>Change on</u>	
			<u>Yesterday</u>	<u>Last Friday</u>
Scotland	(24 hr attendance)	2,310	+ 42	+ 87
North East	(24 hr attendance)	3,172	+ 1	+ 117
Yorkshire	(24 hr attendance)	2,853	+ 37	+ 91
North Derbyshire	(24 hr attendance)	4,560	- 225	+ 157
Western	(24 hr attendance)	11,102	+ 20	+ 24
South Wales	(morning shift)	125	- 2	no change
Kent	(morning shift)	106	- 4	- 5

Coal Movements

Another good day: 194,000 tonnes were moved.

38 coal trains ran.

Law and Order

Another quiet day.

High Court

The Court ruled today that the NUM's funds must remain under the control of a Receiver. The Court approved the appointment of city accountant Michael Arnold - a senior partner of Arthur Young, McClellan Moores and Co - to take over as Receiver from Derbyshire solicitor Herbert Brewer.

A striking miner was today given permission to challenge in the High Court the £16 deduction from supplementary benefit paid to strikers' families. An early hearing is likely.

Scargill Article

A statement by Scargill published in the latest edition of "Labour Weekly" is attracting media interest this afternoon. The statements says "Trade union and Labour Party leaders must now stand up in contempt of laws being used against us - or remain forever in contempt of all those they represent".

Line to Take

Since the beginning of November some 16,000 miners have returned to join the third of the industry who have remained at work. The number not on strike in the industry now exceeds 100,000. Any responsible trade union leadership faced with such figures would either call the strike off or have a national ballot. The left wing militants who control the NUM National Executive refuse either step because they are bent on confrontation even if it means defying the law. They will not succeed.

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

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

CONFIDENTIAL

NBPM
AT 10/12 CCND



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET 5422
TELEPHONE DIRECT LINE 01-215
SWITCHBOARD 01-215 7877

PS/
Secretary of State for Trade and Industry

7 December 1984

M F Reidy Esq
Private Secretary to the
Secretary of State for Energy
Department of Energy
Thames House South
Millbank
London SW1

Dear Michael,

COAL FIRING SCHEME

Thank you for sending us a copy of your letter of 13 November to Andrew Turnbull at No 10, together with the Chief Secretary's minute of 19 November and Andrew Turnbull's reply of 21 November. Against the background of the coal strike, we have no reason to object to the agreed deferral of the review, or to keeping the facility open for the time being within current limits.

2 However, we have noted the relatively generous nature of coal firing scheme assistance in present circumstances, when compared with the extreme financial stringency applied to applications under the Section 8 general facility and indeed the moratorium now imposed on most applications for R&D support under the Science and Technology Act. Had it been appropriate to review the scheme at this stage, Ministers here would have wanted to look very critically at whether this remained an effective use of Government money. Whatever the arguments advanced within Government to justify the scheme in terms of the effect of coal stocks on the PSBR, we do not believe that industry generally would understand why it should be easier to get public funds for commercially-justified investments in energy conversion than for other investment projects with similar returns.

3 Your Secretary of State will indeed be aware that this point was made by some members of the Industrial Development Advisory Board when considering a recent case which met the criteria of the coal firing scheme. My Secretary of State would therefore wish to

JH3BFE



be associated with the review when it takes place, which we hope will be as soon as practicable.

4 I am copying this letter to Andrew Turnbull at No 10 and to Richard Broadbent in the Chief Secretary's Office.

Yours ever,

A handwritten signature in cursive script that reads "Ruth".

RUTH THOMPSON
Private Secretary

Nat Ind Pt 15

Coal.

27 DEC 1984

12 11 2 3 4 5
6 7 8 9 10

30 DEC 1984

12 11 2 3 4 5
6 7 8 9 10

SECRET

N B M

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BT

7/12

MR TURNBULL

7 December 1984

COAL DISPUTE

The return to work has reduced from 6,000 to 2,000 and now this week to a trickle. It is too close to Christmas for the Government to initiate any new hard-line stance. We should therefore be using the time to ensure that the Government and the NCB stance are in harmony, and to work out a detailed plan for increasing the pressure in the New Year.

Michael Edwardes raised a couple of proposals that the Policy Unit have considered in the past. We would reject the proposal that MacGregor resigns if Scargill will do likewise: MacGregor has finally managed to move himself out of the limelight and it would be folly to bring him back centre-stage.

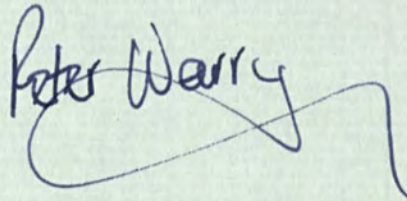
The proposal of a ballot about a ballot was a sensible alternative before the most recent wave of returns: any direct ballot would have been viewed as an attack on the union and therefore have got a large loyalty vote. The split in the union is now far more clear cut and a ballot about a ballot would be unnecessarily clever and viewed as too devious.

A direct ballot is more possible. There would be severe but superable problems in preventing the 'local watch committee' collecting up the ballot papers, even if they were sent to individual homes. However, as most people think that most NUM members want to return, anything less than all the workers and half the strikers voting in favour (ie two thirds majority) would be a defeat. Even so, such a vote would only aid the drift back but is unlikely to break the strike. On balance it is probably unwise.

SECRET

SECRET

It remains crucially important to get the message across that one cannot divorce the strike from the violence. Anybody who supports the strike is also a supporter of the violence. They may say they 'disassociate themselves' from the violence but in reality what they hope to disassociate themselves from is the bad publicity.

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

PETER WARRY

SECRET

Prime Minister ② 2514

Daily Coal Report - Thursday 6 ~~November~~ ^{DECEMBER} 1984

AS 6/12

	<u>Number</u>
(i) Working normally	47
(ii) Turning some coal	17
(iii) Some men present	75
(iv) On strike/picketed out	35

Bilston Glen (Scotland), where 922 men reported this morning, has moved into category (i) - a considerable boost for the NUM's Scottish management.

Wheldale (Yorkshire) has moved from category (iv) to (iii).

63 new faces reported today bringing the total this week to 556.

Area attendances were as follows:-

			<u>Change on yesterday</u>
Scotland	(24 hr attendance)	2268	+ 1
North East	(24 hr attendance)	3171	no change
Yorkshire	(24 hr attendance)	2816	- 13
North Derbyshire	(24 hr attendance)	4785	+ 34
Western	(24 hr attendance)	11082	+ 67
South Wales	(morning shift)	127	+ 1
Kent	(morning shift)	110	- 1

Coal Movements

194,000 tonnes were moved yesterday - an excellent figure.

32 coal trains ran.

Law and Order

Relatively quiet today.

NUM

Scargill met Mr Kinnock today who reportedly told him that "everything possible" had to be done to stop pit violence. Mr Kinnock was also reported to have dismissed any suggestion of a general strike in support of the NUM.

Scargill later met the TUC General Council. At the time of writing there was no report of the outcome.

The immediate Press reports give little indication of what happened, if anything.

High Court

The sequestrators appointed by the High Court have written to every registered trade union seeking information about cash donations and loans to the NUM. The letter also asks that any future payments should go to the sequestrators.

Receiver

The High Court will rule tomorrow on an application to have the appointment of the Receiver renewed. The solicitor currently acting in this role, Mr Herbert Brewer, indicated to the Court his wish to relinquish these duties and said his decision was partly due to NUM criticism of his credentials.

Line to Take

As Monday.

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

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



PLS 8A

10 DOWNING STREET

From the Private Secretary

6 December, 1984

Coal Dispute: Prosecutions and Trials

The Prime Minister has seen and noted the Solicitor General's minute of 30 November.

I am copying this letter to Richard Stoate (Lord Chancellor's Office), and Hugh Taylor (Home Office).

ANDREW TURNBULL

Henry Steel, Esq., C.M.G., O.B.E.

✓

SECRET

Copy No ① of 4



Prime Minister 23
Excellent delivery to power stations producing a big stock draw down

SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH

MILLBANK LONDON SW1P 4QJ

01 211 6402

AT
4/12

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

mb

6 December 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the latest weekly report.

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

Yours ever
John

J S NEILSON
Private Secretary

CONFIDENTIAL

FBI DEC 1964

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POWER STATION ENDURANCE

- 1 Coal deliveries to CEGB power stations last week were 0.72mt (including non-NCB sources). Coal burn was 0.75mt and stocks fell by 0.03mt. Oil burn reached the highest level achieved since the strike began. The Board's stocks last Sunday night (2 December) were 14.53mt with a further 0.76mt at Scottish power stations.
- 2 Total NCB deliveries last week were 0.95mt of which about 0.26mt 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 0.52mt per week. The average over the past eight weeks has been 0.71mt.
- 4 The CEGB's estimate of the range of endurance outcomes is as follows:-

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.3mt/week	early March	late April
0.40	mid March	late July
0.45	-	Autumn 1985

Department of Energy

5 December 1984



CF PPS

CR m type to programme

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

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

6 December 1984

Dear Andrew

As you know, at my Secretary of State's suggestion the Prime Minister recently wrote to Malcolm Edwards of the National Coal Board congratulating him on all he was doing to keep coal moving during the current dispute.

Another person who has greatly impressed Mr Walker is Mr Gill Blackman, CEBG board member responsible for power station operations and endurance. He and his team are doing a remarkable job, and Sir Walter Marshall understandably wishes their efforts to be recognised. Mr Walker fully agrees and would like to suggest that the Prime Minister might write to Mr Blackman in terms of the attached draft.

Yours sincerely
Michael Reidy

MICHAEL REIDY
Private Secretary

CONFIDENTIAL

CP - July 1985?
file

870

MR HOSKER - Treasury Solicitor's
Department

FROM: R FELLGETT
DATE: 6 December 1984

- cc PS/Chief Secretary
- PS/Financial Secretary
- PS/Sir P Middleton
- Mr A M Bailey
- Mr Gilmore
- Mr Judd
- Mr Scholar
- Mr M L Williams
- Mr F K Jones
- Mr Culpin
- Mr Robson
- Mr Salveson
- Mr R K C Evans

- Mr H Steel - Legal Secretary
Law Officers
Dept

- Mr M MacLean - Chief Whip's
Office

- Mr A Turnbull - No 10

LAW CHARGES VOTE : REVISED SUPPLEMENTARY ESTIMATE

will request (revised)

As foreshadowed in my minute to you of 27 November I have today written to the Clerk to the Liaison Committee informing him that there will be a revised Supplementary for the Law Charges vote. Following normal practice my letter gives him no information about either how or why the Supplementary is to be revised.

2. The Clerk has sufficient reason to enquire into this, with or without consulting his Chairman and Committee, as it is for the Liaison Committee to decide upon Estimates debates. He may decide to make some enquiries ahead of formal presentation.

3. There is no universal policy covering the question of whether or not information in Estimates may be made available ahead of presentation. In this case it is certainly not for Treasury to disclose any such information and I believe you will take the same view.

4. If I am approached I will not say more than is already clear from my letter. If pressed on timing I will say revised Supplementaries, by their very nature, must be presented some time after the original Supplementary. While it is true most revised Supplementaries will be shown in confidence to departmental Select Committees some time ahead of formal presentation this arrangement does not cover this particular

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one because no departmental Select Committee has a remit covering this vote. This limitation in the remits of departmental Select Committees is a decision of the House. The Liaison Committee will have an opportunity to see and discuss the revised Supplementary, along with all other members of the House, once it has been presented which will of course be at least 7 days before the Estimate resolution as required under standing orders. Finally I may say that I have no authority to re-open the question of whether or not the government's "gesture of good will" in providing advance confidential copies of Supplementaries to departmental Select Committees should be extended also to the Liaison Committee.

5. It would be helpful if anyone answering specific questions about this revised Supplementary gave answers that were consistent with the general policy I have set out above.

Robi Fellgett

R FELLGETT

CONFIDENTIAL



Treasury Chambers
Parliament Street London SW1P 3AG

Telex 262405

Telephone Direct Line 01-233 7995
Switchboard 01-233 3000

D A M Pring Esq CB
Clerk to the Liaison Committee
House of Commons
LONDON
SW1A 0AA

Your reference

Our reference

Date 6 December 1984

Dear Pring,

DEPARTMENTAL SELECT COMMITTEES : UNALLOCATED SUPPLEMENTARY ESTIMATES

On 14 November 1984 I wrote to you with a list of winter Supplementary Estimates that did not fall within the remit of any departmental Select Committee. For your information I should now let you know that a revised winter Supplementary will be presented for the following vote on that list:

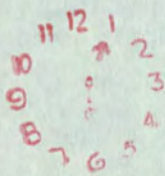
Class IX, Vote 9. Law Charges, England and Wales (Treasury Solicitor's Department).

Revised Supplementaries are expected to be presented to the House early next week.

Rohi Fellgett

R FELLGETT
Estimate Clerk

6 DEC 1984



24.

Daily Coal Report - Wednesday 5 December 1984

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	18
(iii) Some men present	74
(iv) On strike/picketed out	36

At the time of writing 82 new faces had reported back today.

Area attendances were as follows:-

			<u>Change on</u> <u>Yesterday</u>
Scotland	(24 hr attendance)	2267	+ 19
North East	(24 hr attendance)	3171	+ 14
Yorkshire	(24 hr attendance)	2829	+ 15
North Derbyshire	(24 hr attendance)	4751	+ 38
Western	(24 hr attendance)	11015	+ 275
South Wales	(morning shift)	126	- 1
Kent	(morning shift)	111	+ 3

Coal Movements

174,000 tonnes were moved yesterday.

39 coal trains ran.

Law and Order

Although 1,000 pickets were reported to be outside the Cortonwood pit at 3.00 am, the general picketing scene was relatively light.

NUM

The NUM are meeting the TUC and Labour Party tomorrow. McGahey claimed at a rally in Scotland today that they would ask the TUC to mobilise the trade union movement to stop "scab" coal and oil and to "bite into the economy". They may also ask the TUC to provide a headquarters building if their own is taken over by the Receiver.

TUC

Meanwhile there are increasing signs of TUC anxiety about the dispute. The Secretary of State for Energy will report further at tomorrow's Cabinet meeting.

Receiver

The Receiver has still not recovered the £4.6 million of NUM assets in bearer bonds held in a Luxembourg bank. Today he was in Dublin trying to recover the £2.78 million lodged there.

The Receiver had a temporary setback today when he failed to win a court order that his fees be paid out of union money already seized by the sequestrators. The High Court judge ruled that the union must be given two clear days notice before his application could be heard.

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 6070

PRIME MINISTER

Mr. Walker and Mr. King, each accompanied by one official, had a two hour meeting with the TUC "Gang of Seven" this evening. Both sides agreed that the meeting should be kept secret. Mr. Walker will not refer to this meeting at Cabinet tomorrow but will be prepared to give you an account in the margins of Cabinet or E(A).

His general impression was that they did not know what to do to get the strike settled. They were talking about getting the miners to return to work on the basis of an agreement that a new Plan for Coal would be discussed over the next few months: the TUC would lend their influence to making a success of these talks. Mr. Walker pointed out that such a proposition would probably not be negotiable with Scargill: he had made one demand throughout the strike and, unless he were prepared to drop it, negotiations for a settlement with the NCB on the lines suggested would not be successful. The TUC acknowledged that this might well be the case.

The meeting provided Mr. Walker with an opportunity to take them through the history of the dispute. He felt that this made an impact. Willis performed better than previously, and the two left-wingers (presumably Buckton and Moss Evans) were out-argued and did not appear to cut much ice with their colleagues. The position at the end of the meeting was that the TUC are to meet the NUM tomorrow (whom they will not tell about the meeting with Mr. Walker) and may ask for a further meeting with Mr. Walker and Mr. King thereafter.

F.R.B.

5 December 1984

PRIME MINISTER

INDEMNITY OF THE SEQUESTRATORS

The supplementary estimate containing the indemnity has to be sent to the printers on Thursday so Cabinet will be the last opportunity to decide whether to include provision for the indemnity. It may be suggested that as the Receiver may soon get his hands on some funds the deadline could be missed, with the alternative procedure of a Treasury Minute being used if the Receiver is unsuccessful. My advice is that the accounting officers in the Treasury and the Law Officers' Department would regard gambling on the success or otherwise of the Receiver as improper and they would wish to be instructed if this course were followed. In any case, it looks as though securing access to NUM funds will be a protracted business.

I have attached to these papers some Q and A briefing which shows how the decision to provide an indemnity could be defended. The main defence would be that this particular case was of such public interest that the State should provide assistance to private persons to ensure that the law is upheld. You should be aware however that the Treasury are uneasy about the way the Attorney General offered the indemnity as they believe it was possible for the sequestrators or the original plaintiffs to apply for court funds to carry on the work.

AT

ms

Andrew Turnbull

5 December 1984



21

Ref. A084/3262

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;

the pay negotiations now in progress with NACODS.

ii. The Home Secretary on law and order.

iii. The Secretary of State for Employment on the NUM's contacts with the TUC, and the current attitude to the dispute of other trade unions. (It should be borne in mind that the TGWU is now in conflict with the courts over the recent Austin Rover strike, and that there must be a risk that the dock strike at Southampton could be exploited.)

iv. The Solicitor General on the legal actions relating to the NUM's funds, (and in particular his minute to you of 3 December about the indemnity of the sequestrators).

FLAG A.

Indemnity of the Sequestrators

2. Unless the sequestrators are able to lay their hands on sufficient funds within the next day or two there would appear to be no alternative to reporting to Parliament about the indemnity



on the lines envisaged by the Solicitor General. If that is agreed, it would be desirable for the Cabinet to settle the line to take when the matter becomes public on Monday or Tuesday of next week. This will presumably be that the indemnity is a natural and unavoidable step to ensure that the courts are in a position to make their authority effective. It can also be pointed out that, as and when the NUM's funds become available to the sequestrators, the need for the indemnity will be extinguished. It would be essential to rebut any suggestion that the Government has interfered with the judicial process.

Next Meeting

3. The next meeting of MISC 101 has been arranged for Monday 10 December at 5.30 pm.

CONQUEROR

R

Approved by
ROBERT ARMSTRONG
and signed in his absence.

5 December 1984

SECRET AND PERSONAL

Prime Minister (2)

Daily Coal Report - Tuesday 4 December 1984

20

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	18
(iii) Some men present	74
(iv) On strike/picketed out	36

There was a further slight increase in attendances today. 130 new faces reported. Area attendances were as follows:

			<u>Change on yesterday</u>
Scotland	(24 hr total)	2248	+ 6
North East	(24 hr total)	3157	+ 67
Yorkshire	(24 hr total)	2814	+ 86
North Derbyshire	(24 hr total)	4713	+ 435
Western	(24 hr total)	10740	+ 5
South Wales	(morning shift)	127	no change
Kent	(morning shift)	108	- 5

Coal Movements

171,000 tonnes were moved yesterday.

26 coal trains ran.

Law and Order

Apart from the usual picketing there were isolated violent incidents. In Kent there were a number of attacks on working

SECRET AND PERSONAL

miners. In one incident a miner was taken to hospital after being beaten by two hooded youths. Another man had a car driven at him. In the third incident two car drivers tried to force a coach off the road.

To date 1256 police have been injured in the dispute.

NUM

Scargill has given a predictably defiant display today. He told striking miners that receivers and sequestrators appointed by the courts would not stop the union winning "the greatest victory in history".

However Trevor Bell, General Secretary of the NUM's white collar staff, said he was worried about the future of the union if it did not return to the negotiating table.

Receiver

At the time of writing the Receiver appointed by the High Court had still not succeeded in obtaining the £4.63 million lodged in a Luxembourg bank. Discussions were continuing.

High Court

The Receiver's appointment is expected to be re-confirmed at a High Court hearing in London this Thursday.

In separate High Court actions the representative of the craft section of the NUM today gave an undertaking to the Court that he would not take part in meetings of the union's National Executive pending the hearing of a legal move to unseat him. Two working miners (a South Wales NUM member and a member of the NUM Cokeman's section based in Barnsley) obtained the Court's authority to read the books of their local union executives to

SECRET AND PERSONAL

establish whether the strike had been validly called.

Line to Take

Mr Scargill defies the Courts, and through his refusal to countenance a national ballot he defies democracy. The public at large fervently hope that mining communities will stand up to this threat, assert their rights as individuals and return to work. The Government are determined that democracy will prevail and the militants will fail.

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

10 DOWNING STREET

From the Private Secretary

Prime Minister ①

The TUC have asked to see Mr Walker and a meeting has been arranged for tomorrow at 5.30 pm. It is intended to be a private meeting, at least in the sense that it will not be announced in advance. They will decide at the meeting what public statements to make.

The TUC party is likely to be Willis, Barnett, Buchton, Eccles, Russell Keys, Evans Graham and Monk.

My guess is that with so many this will leak before the meeting, but that will not be a disaster.

Mr Walker will take a robust line, that talks in a new Plan are pointless while Scargill rules out closure of uneconomic pits. He is trying to get something along as well.

HT 4/12

SECRET

COPY 1 OF 3



Prime Minister (2)
AT
19B.
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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

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

4 December 1984

Dear Andrew

Mr Walker has asked me to send you the attached note of the telephone conversation which he had this morning with Norman Willis of the TUC.

A copy goes to David Normington in Tom King's office.

M F Reidy

M F REIDY
Private Secretary

SECRET

NOTE OF THE TELEPHONE CONVERSATION BETWEEN SECRETARY OF STATE
FOR ENERGY AND TUC GENERAL SECRETARY, MR NORMAN WILLIS, TUESDAY
4 DECEMBER

Mr Willis phoned at 10.00 am. He said he was meeting six TUC general council colleagues at 6.30 pm, to discuss the coal dispute. On Thursday at 11.30 am they in turn were meeting the NUM. These meetings had been scheduled since last week.

He said that at the 6.30 meeting the TUC might decide to seek a discussion, tomorrow, with the Secretary of State.

Mr Willis said he sensed some general indication that the March 6 proposals and 'five pits' issue could be settled in the light of changes that had occurred since e.g. production losses since the strike began. But both parties had never moved at the same time.

More generally, however, there was the question of the industry's future as outlined in "Plan for Coal". He believed there were a number of misunderstandings in this area. On the union side many felt Government sources were pouring cold water on the idea of revising the Plan. He suspected that the Government might regard as premature any discussions about the Plan before there had been a general return to work. He suggested, however, that if there could be some discussion of capacity targets, and other matters relevant to the Plan, this might encourage a solution to the dispute. It might then be possible to agree a return to work on the basis that such discussions were to take place.

The Secretary of State replied that if Mr Willis and his colleagues wanted to talk formally or informally he would of course gladly see them.

The Board's deal with NACODS showed what could be achieved between reasonable men. Indeed, he was confident that under the NUM's former leader, Joe Gormley, there could have been a constructive dialogue between the Board and the NUM leading to a solution acceptable to both sides. The Board made a good offer to miners and was doing everything possible to secure the future for the benefit of all employed in the industry. But Mr Scargill was determined not to recognise this.

The Secretary of State pointed out that, at the outset of the dispute, the Coal Board had offered wide ranging talks on the wider issues. These had not taken place because of Mr Scargill's repeated refusal to discuss pit closures or manpower reductions. His intransigence - which he had deliberately made the hallmark of his public campaign - precluded reasonable discussion and negotiation. There could be no point in both sides entering further talks which were doomed to failure.

A further factor was Mr Scargill's completely false claim that the Board had a hit list of 70 pits. Again he had repeated this falsehood many times in public, causing much unnecessary anguish in mining communities. There was no hit list. Moreover the Board were actively interested in expanding low cost production with a view to preserving jobs. No closure would be implemented unless and until the full review procedure had been completed. The procedure would in future provide for an independent review body to give advice as agreed between the Board and NACODS. There could not be a more reasonable or conciliatory way to conduct business.

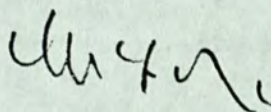
Mr Willis said he could not discuss Mr Scargill's negotiating tactics. He was anxious to see the industry get back to work and he believed there were many other examples of settlements which had taken place after the union leaders concerned had made intransigent statements. Pressed by the Secretary of State he

said he recognised the problem about Scargill's attitude. He would not attempt to defend it.

The Secretary of State said neither the Government nor the Board had sought the dispute. They were anxious that, in the industry's own interest, it should get back to work as quickly as possible. It was clear from the ballots that had taken place within the industry that mining communities wished to see an end to a strike for which they could see no industrial justification. He therefore deeply regretted that the NUM persisted in its determination to prolong an undemocratically called dispute.

The Secretary of State repeated that he would be glad to see the TUC, formally or informally, if they so requested.

Mr Willis said he was grateful for this.



M F REIDY
PS/Secretary of State
Room 1237
Ext 7214

4 December 1984

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Cabinet folder **A**
Indemnification

19A.

SECRET

PRIME MINISTER

SEQUESTRATION OF NUM'S ASSETS

See Pt 14

1. On the 13 November Misc 101 invited the Attorney General to arrange for the sequestrators of the NUM's assets to be indemnified as to their costs if that was necessary to allow the judgment of the High Court to be enforced.
2. Accordingly, the Attorney General contacted the sequestrators immediately after the meeting of Misc 101 and orally gave them, on behalf of HMG, the necessary indemnity. This covered the costs and expenses reasonably and properly incurred by them in carrying out their duties in pursuance of their appointment by the Court. It related to the proceedings which they had already set in train in various other jurisdictions where the NUM were believed to have transferred their assets. It was not to cover further proceedings unless the Attorney General had been consulted and had agreed to such proceedings being pursued.
3. After some discussion between officials of the various Departments primarily concerned, the Attorney General agreed that the cost of the indemnity should fall on the Law Charges Vote and that he would accept responsibility for it in Parliament. To meet the requirements of the Public Accounts Committee, it is necessary that "Parliament should be given the earliest and clearest possible notice of a decision by a Department to put public funds at risk by the assumption of a contingent liability" (such as this indemnity involves). This would ordinarily involve the laying of a Minute before the House. However, it has been possible to avoid that in the present case by sweeping the matter up in the current round of Supplementary Estimates.

SECRET



A token sub-head (for £1,000) will be included in the Law Charges Vote and will be described simply as "Payments in respect of an indemnity given by the Attorney General." At the same time, the Financial Secretary's Memorandum relating to the Supplementary Estimates will include a sentence in the following terms:

"Additional provision is sought in respect of a contingent liability arising under an indemnity given by the Attorney General for unrecovered costs and other expenditure incurred by the sequestrators in the course of legal proceedings against the National Union of Mineworkers".

4. As I explain in more detail below, if the above Parliamentary procedure has to be set in motion, it must start on Thursday of this week, 6th December. If, as a result of proceedings in Luxembourg or otherwise, it is established before then that the sequestrators have been put in sufficient funds to make the indemnity unnecessary, we can treat it as having lapsed before it came into effect and we need neither take any steps in relation to Parliament or otherwise reveal that ^{the} indemnity was ever given. If, however, the sequestrators do not lay their hands on sufficient funds before Thursday, we must go ahead with the arrangements for notifying Parliament: if we refrained from doing so in the hope that the indemnity would never be called upon and we were subsequently disappointed in that hope (or if the fact that we had given the indemnity came out in some other way), we should be open to very heavy criticism.

5. On the assumption that we have to go ahead, the arrangements for notifying Parliament are as follows:

- (i) On Thursday, 6th December, the Treasury Estimate Clerk will write to the Clerk to the Liaison Committee telling him that one of the Supplementaries which does not fall within the remit of any Departmental Select Committee will be revised. The letter will mention the Law Charges Vote but will not provide any information about why the Supplementary requires revision.



SECRET

-3-

- (ii) On either Monday, 10 December, or Tuesday, 11 December, the revised Supplementary will be presented to Parliament.
 - (iii) The Financial Secretary's Memorandum will be available to lobby correspondents from about 11 am on the day when the Supplementaries are presented, though it will be embargoed until they are actually presented at 2.30 pm.
6. I am copying this minute to the other members of Misc 101 and to Sir Robert Armstrong.

A. H. H. H.

3 December, 1984

SECRET

Case A 15

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FBI
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

EX 4 DEC 1984



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SECRET AND PERSONAL

19 File

Daily Coal Report - Monday 3 December 1984

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	18
(iii) Some men present	74
(iv) On strike/picketed out	36

253 new faces reported today (compared to 975 last Monday, and 2,282 the previous Monday). The total who have returned since 5 November now stands at 15,568. A detailed breakdown of attendances will be given later in the week.

Coal Movements

The NCB have confirmed that they moved 956,000 tonnes last week, of which 671,000 went to the CEGB.

179 coal trains ran last week, including 38 on Friday.

Law and Order

A typical Monday with skirmishing in a number of areas. In one serious incident in North Derbyshire a 3-foot long metal spike was dropped from a bridge on to a Coal Board van used to carry explosives. The driver and his colleague escaped unhurt.

NUM Special Delegate Conference

Today's special delegate conference, called in the wake of the Appeal Court's refusal to lift its receivership order, decided not to purge the union's contempt of court. According to press reports the NUM have now asked the TUC to call an emergency

SECRET AND PERSONAL

meeting of the General Council "to mobilise industrial action". (The current signs are that the TUC remains deeply divided: there is no sign of the new "initiative" to seek a re-opening of negotiations that was being spoken of last week).

Receiver

The Receiver was rebuffed this morning when he attempted to withdraw £4.38 million of NUM money deposited in a Luxembourg bank. There are reports that he may have to apply to the Luxembourg courts to get the funds released.

Line to Take

Today's shocking incident - in which a metal spike was dropped on to a Coal Board van - shows the terrible depths to which the militants have sunk. Over the last three weeks more than 15,000 miners have returned from strike to join their colleagues at work. Thousands more would have also returned had they been able to exercise their democratic choice, free of violence and intimidation. It is time for the TUC to stand up for democracy, condemn violence, and call for the NUM to hold a national ballot without further delay.

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

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

E-4 DEC 1984

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10 DOWNING STREET

AT

Your message relayed 10 PM on
Sat night @ 6.45 -.

"Appeal Court dismissed appeal
by NUM. Appeal Court took the
view that the judge in the hearing
yesterday was right in appointing
a receiver in the absence of
any assurances from NUM that
it would ~~at~~ abide by all court
rulings made against it. The
NUM Executive is meeting tonight
& the court ruled that if the
Executive decided to comply with
the rulings of the court, the NUM
could return tomorrow for the
verdict to be considered"

I also relayed attached message
from P. A to PM also.

MARGO 1/12/84

NI6044 2 XXX 70

URGENT - FUND

THE APPEAL COURT IN LONDON TONIGHT UNANIMOUSLY DISMISSED A MINERS LEADERS APPEAL AND UPHELD YESTERDAY'S 'DRASTIC' ORDER APPOINTING A RECEIVER TO CONTROL NUM'S £8.9 MILLION ASSETS.

LORD JUSTICE STEPHENSON SAID IF TONIGHT'S NUM EXECUTIVE MEETING DECIDED TO UNDERTAKE TO ABIDE BY ALL COURT ORDERS, THE UNION COULD APPLY TO HAVE THE RECEIVERSHIP ORDER LIFTED AT SHORT NOTICE.

..

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File

1 - MINERS LEADERS LOSE APPEAL

THE THREE MINERS' LEADERS TONIGHT LOST THEIR APPEAL AGAINST THEIR REMOVAL AS UNION TRUSTEES - LEAVING THE NUM'S £8.9 MILLION ASSETS IN THE CONTROL OF A RECEIVER.

PRESIDENT ARTHUR SCARGILL, HIS DEPUTY NICK MCGAHEY AND GENERAL SECRETARY PETER HEATHFIELD LEFT THE APPEAL COURT IN LONDON IMMEDIATELY AFTER THE DECISION AND WENT INTO AN EMERGENCY MEETING OF THEIR UNION'S EXECUTIVE AT TUC HEADQUARTERS.

NOW THE SEQUESTRATORS PLAN TO MOVE AS SOON AS THE BANKS OPEN ON MONDAY TO BRING BACK TO BRITAIN THE UNION'S £4.3 MILLION HELD IN LUXEMBOURG.

THREE APPEAL COURT JUDGES UNANIMOUSLY TURNED DOWN THE TRIO'S BID FOR REINSTATEMENT AS UNION TRUSTEES AND MADE CLEAR THAT THEY COULD ONLY APPLY TO HAVE THE RECEIVERSHIP ORDER LIFTED IF THEY GAVE AN UNDERTAKING TO ABIDE BY ALL COURT ORDERS "PAST AND FUTURE".

THE THREE WERE REFUSED LEAVE TO APPEAL TO THE LORDS.

THE JUDGES' DECISION MEANS THAT THE NUM WILL FIND IT HARDER THAN EVER TO CONTINUE TO FUND THE PIT STRIKE.

IT BRINGS CLOSER THE "DAY OF RECKONING" PREDICTED LAST WEEK BY MR JUSTICE NICHOLLS, THE JUDGE WHO IMPOSED THE SEQUESTRATION ORDER ON THE NUM'S ASSETS IN OCTOBER FOR CONTEMPT OF COURT.

(MORE FOLLOWS)

011951 DEC 84

NI6054 4 XXX 324

2 - MINERS LEADERS LOSE APPEAL

APPEAL COURT JUDGE LORD JUSTICE STEPHENSON SAID TONIGHT THAT THE ORDER MADE BY A HIGH COURT JUDGE ON FRIDAY HANDING CONTROL OF THE UNION'S FUNDS TO DERBYSHIRE SOLICITOR HERBERT BREWER, WAS 'DRASTIC AND UNUSUAL'.

BUT IT HAD BEEN JUSTIFIED BEACUSE AN UNDERTAKING OFFERED BY THE MINERS' LEADERS WAS UNACCEPTABLE WITHOUT A FURTHER ASSURANCE THAT THEY WOULD OBEY BOTH 'PAST AND FUTURE' ORDERS OF THE COURT.

DURING THE FOUR-HOUR EMERGENCY HEARING - ONLY THE THIRD SATURDAY SITTING IN THE LAST DECADE - THE MINERS LEADERS' COUNSEL SAID THE UNION'S OPERATION COULD BE BROUGHT TO A STANDSHILL BY MONDAY IF THE RECEIVERSHIP ORDER REMAINED IN FORCE.

ANOTHER LAWYER SAID TONIGHT THAT PICKETS COULD NOT B E PAID UNLESS THERE WAS READY CASH AVAILABLE OUTSIDE THE RECEIVER'S CONTROL.

LORD JUSTICE STEPHENSON SAID IF JUDGE DAVIES HAD BEEN OFFERED AN UNDERTAKING ON WHICH HE COULD HAVE RELIED HE PROBABLY WOULD NOT HAVE APPOINTED A RECEIVER.

'BUT THE JUDGE WAS JUSTIFIED IN HIS INABILITY TO ACCEPT THAT UNDERTAKING WITHOUT A FURTHER ASSURANCE THAT THE MINERS' LEADERS WOULD OBEY ORDERS OF THE COURT, PAST AS WELL AS FUTURE.' HE SAID.

IT WAS 'NOTORIOUS' THAT THE NUM AND ONE OF ITS LEADERS HAD COMMITTED FLAGRANT CONTEMPT OF COURT ORDERS, HE SAID. EVEN THOUGH MR SCARGILL WAS NO LONGER IN CONTEMPT, HIS FINE HAVING BEEN PAID, THE UNION ITSELF WAS STILL IN CONTEMPT.

HE SAID HE HOPED THAT AN ASSURANCE THAT ALL COURT ORDERS WOULD BE OBEYED WOULD BE 'FORTHCOMING' FROM TONIGHT'S NUM EXECUTIVE MEETING.

IF SO, THE MINERS' LEADERS COULD APPLY TO THE COURT ON MONDAY FOR AN ORDER DISCHARGING THE RECEIVER.

SUCH AN ASSURANCE WOULD INVOLVE THE UNION IN AGREEING TO PAY THE £200,000 CONTEMPT FINE, CO-OPERATING WITH THE SEQUESTRATORS WHO WERE APPOINTED WHEN THE FINE WENT UNPAID AND COMPLYING WITH AN ORDER MADE A WEEK AGO REQUIRING THEM BRING BACK TO BRITAIN ALL UNION FUNDS SENT ABROAD.

011956 DEC 84

PRIME MINISTER

You are probably already aware of this but

The following is from the PA tape at 1818 hours.

The Appeal Court in London tonight unanimously dismissed a miners' leaders' appeal and upheld yesterday's "drastic order" appointing a Receiver to control NUM's 8.9 million assets. Lord Justice Stevenson said if tonight's NUM Executive meeting decided to undertake to abide by all "orders" the union could apply to have the Receivership order lifted at short notice.

The following is from Andrew Turnbull

Appeal Court dismissed appeal by NUM. Appeal Court took the view that the judge in the hearing yesterday was right in appointing a Receiver in the absence of any assurances from the NUM that it would abide by all Court rulings made against it. The NUM Executive is meeting tonight and the Court ruled that if the Executive decided to comply with the rulings of the Court the NUM could return tomorrow for the verdict to be reconsidered.

Willian

1 December 1984

PRIME MINISTER

Incident at Merthyr Vale Colliery

The background is that when miners indicate a wish to go to work, the NCB, in conjunction with police arranges for them to be picked up in taxis which are accompanied to the pit by police vans.

At 0520 this morning a taxi carrying one miner, accompanied by a police van was travelling to the pit along the Head of the Valleys road. A 3 ft. concrete post was thrown from a bridge as the taxi passed underneath. It struck the front of the taxi and went through the windscreen. The taxi went out of control and crashed. The miner was uninjured, but the driver was trapped. He was cut out of the vehicle by the fire brigade but was dead on arrival at the hospital.

The police have set up an incident room. They are treating the case as one of murder. So far, they have released no information on the progress of their investigation.

There has been trouble at Merthyr for some days. The Borough Council had arranged a meeting with the Chief Constable and this is now in progress. Mr. Walker is asking David Hunt to issue a statement after consultation with the Home Office.

ANDREW TURNBULL

30 November, 1984

THE LEADERSHIP OF THE NUM WERE TODAY FACING THE 'DAY OF RECKONING,' FORESHADOWED BY A HIGH COURT JUDGE EARLIER THIS WEEK, IN THEIR FIGHT TO RETAIN CONTROL OF THE UNION'S FUNDS.

AT THE HIGH COURT IN LONDON LAWYERS ACTING FOR 16 WORKING MINERS WERE ASKING MR JUSTICE MERVYN DAVIES TO APPOINT A RECEIVER TO RUN THE AFFAIRS OF THE UNION.

IF THEY SUCCEED AT THE HEARING, WHICH BEGAN JUST AFTER 3PM TODAY AND IS STILL GOING ON, ALL CONTROL OF THE UNION'S ASSETS WILL PASS OUT OF THE HANDS OF THE THREE TRUSTEES OF ITS FUNDS, PRESIDENT ARTHUR SCARGILL, SECRETARY PETER HEATHFIELD AND VICE-PRESIDENT NICK MCGAHEY.

THE WORKING MINERS ALLEGE THAT THE 'SERIOUS AND FLAGRANT' CONTEMPTS OF COURT ORDERS COMMITTED BY THE THREE MADE THEM UNFIT TO CONTINUE AS TRUSTEES OF FUNDS TOTALLING £8.9 MILLION.

THE MOVE TO SEEK THE APPOINTMENT OF A RECEIVER FOLLOWED A SURPRISE COURTROOM MOVE BY THE JUDGE.

THE UNION LEADERS HAD OFFERED TO UNDERTAKE NOT TO MOVE OR TOUCH FOR SEVEN DAYS £4.63 MILLION HELD IN A LUXEMBOURG BANK ACCOUNT UNTIL IT WAS UNFROZEN BY A LUXEMBOURG COURT YESTERDAY.

BUT THE JUDGE REFUSED TO ACCEPT THE UNDERTAKINGS, WHICH WOULD HAVE LED TO THE CASE BEING ADJOURNED, UNLESS THE LEADERSHIP AGREED TO ACCEPT THE JURISDICTION OF THE COURT WHICH THEY HAD NOT PREVIOUSLY GIVEN.

THE JUDGE SPELLED OUT TO THE MINERS' LEADERS THAT GIVING SUCH A PLEDGE TO ACCEPT THE COURT'S JURISDICTION WOULD MEAN COMPLYING WITH ALL COURT ORDERS, INCLUDING ONE MADE LAST FRIDAY ORDERING THEM TO BRING THEIR FUNDS BACK FROM LUXEMBOURG, SWITZERLAND AND IRELAND.

BUT THEIR COUNSEL, WILLIAM STUBBS, Q.C., DECLINED TO GIVE THAT ASSURANCE.

HE SAID WITH MR SCARGILL 'HALF WAY UP THE M1' ON HIS WAY TO TONIGHT'S MINERS' RALLY AT WHICH HE IS TO SHARE THE PLATFORM WITH THE LABOUR LEADER NEIL KINNOCK, IT WAS IMPOSSIBLE FOR HIM TO GET AUTHORITY TO DO SO.

311713 NOV 84

NI5868 2 XXX 49

URGENT - MINERS

A HIGH COURT JUDGE TODAY APPOINTED A RECEIVER TO RUN THE AFFAIRS
OF THE NUM AND ORDERED THE REMOVAL OF THREE MINERS LEADERS - ARTHUR
SCARGILL, NICK MCGAHEY AND PETER HEATHFIELD - AS TRUSTEES OF THE
NUM'S FUNDS UNTIL A FULLER HEARING NEXT THURSDAY.

311718 NOV 84

Coal fire

PRESS INFORMATION

From the Office of
Rt. Hon Neil Kinnock MP
Leader of the Opposition

Press and Broadcasting Secretary: Patricia Hewitt 01-219 4151 01-267 2567 (home)

EMBARGO:

Friday 30 November

For immediate release

In a statement issued from his office today,
the Leader of the Labour Party, Neil Kinnock MP,
said :

I feel complete horror at this awful tragedy and
send my deepest sympathies to David Wilkie's
loved ones.

I ask whoever did this terrible thing to come
forward now.

Others have died and been terribly injured in
the course of this dispute. Miners and their
families are appalled by what has been happening
and I know that they, like me, want the violence
to stop and to stop now.



01-405 7641 Extn 3407

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

Prime Minister ①

Agree S/G's proposals represent an adequate response?

AT
30/11
Yes
mb

PRIME MINISTER

1. I have reviewed the policy by which the Director of Public Prosecutions -

- (i) requests Chief Constables to inform him of certain categories of cases arising in the miners' dispute in which Chief Constables propose prosecution, and
- (ii) takes over the most serious or notorious cases himself, including all cases of intimidation arising elsewhere than at the "picket line".

2. In every such case committed to the Crown Court in which the Director of Public Prosecutions himself prosecutes it will henceforth be his policy to apply to the Court, as soon as practicable after committal, for a date for the trial to be fixed, and also, in the case of intimidation offences, to invite the Court to provide by this means for an expedited trial. (These comprise the great majority of the cases which the Director reserves for prosecution by himself.)

3. Whether a Court agrees to fix any date in these circumstances will lie wholly within its own judicial discretion. It will equally be for the Court's judicial discretion to decide whether any such date should be fixed earlier than the sequence of committals to that Court would normally suggest.

4. While I am entirely satisfied that the public interest warrants this policy I do not think it would be fitting for Ministers to refer



to it publicly, although the Law Officers or the Director himself may properly do so.

5. I understand that the Home Office, who together with the Lord Chancellor's Department were present at my meeting with the Deputy Director of Public Prosecutions, intend to take the DPP's policy into account when offering any advice to Chief Constables as to the handling of such cases arising from this dispute as are left to them to prosecute.

6. I am sending a copy of this minute to the Lord Chancellor and to the Home Secretary.

CONFIDENTIAL AM

LAW OFFICERS' DEPARTMENT

30 November 1984

SECRET AND PERSONAL

Daily Coal Report - Friday 30 November 1984

[Handwritten signature]

1974

Monday 100,000
66,000

Number

- (i) Working normally 46
- (ii) Turning some coal 18
- (iii) Some men present 74
- (iv) On strike/picketed out 36

Comrie (Scotland) has moved into the some men present category today. Otherwise there are no changes.

129 new faces appeared today, bringing the weekly total to 1,971 and the total since 5 November to 15,127.

Coal Movements

190,000 tonnes were moved yesterday.

37 coal trains ran.

The NCB's total deliveries for the week are estimated to be 950,000 to 960,000 tonnes; of which around 660,000 are for the CEGB.

Law and Order

The tragic death of a taxi driver (Mr David Wilkie, 35) in South Wales has been widely reported. A massive police operation involving 120 detectives is under way to find two men seen running along the bridge shortly after the two concrete missiles were thrown. South Wales Chief Constable, David East, pledged today that police would ensure that any working miners who wished to return to Merthyr Vale colliery would be able to do so. 28 policemen have been injured in picket line violence outside this pit in the last 8 days.

SECRET AND PERSONAL

Dr Owen called for a "gut reaction" return to work by miners in protest at the killing, when speaking after visiting Thoresby colliery in Nottinghamshire today. He added: "I don't believe you can blame the Coal Board for the violence at all, neither do I believe you can blame the police".

NUM general secretary Peter Heathfield said he had no comment to make when asked about the death of the taxi driver.

Picketing in Scotland was fairly heavy for a Friday. Five strikers were arrested outside the home of a miner working at the Longannet complex this morning.

In Yorkshire, an NCB van carrying miners to work was stoned at South Emsall, near Wakefield. Trees were felled and dragged across the road at Goldthorpe colliery and police were stoned at Rossington in South Yorkshire.

In North Derbyshire, the home of a working miner in Chesterfield was daubed with slogans, and an NCB bus was stoned by pickets at Killamarsh and paint was thrown over a working miner's car parked outside his home at Bolsover.

Kinnock and Scargill speak at rally

Neil Kinnock and Arthur Scargill are sharing a platform at a miners' rally at Stoke-on-Trent this evening. 89% of miners in Staffordshire worked in the 24 hour period yesterday. The Prime Minister has called on Mr Kinnock to condemn the violence in his speech tonight.

Fire at Seafield colliery in Scotland

Rescue teams fought successfully yesterday and today to save the large Seafield colliery in Scotland from an underground fire. Although an area of coal has been lost, the main production face, developed at a cost of £3.5 million, has been saved.

Court Case: Appointment of Receiver

Mr Justice Mervyn Davies this evening appointed a receiver to run the affairs of the NUM and ordered the removal of three miners' leaders - Scargill, McGahey and

SECRET AND PERSONAL

Heathfield - as trustees of the union's funds until a fuller hearing next Thursday.

The order was made on an application by 16 working miners, led by Colin Clarke, president of the working miners committee, who claimed the NUM's leaders were not "fit and proper" persons to look after the unions' funds, because of their "serious and flagrant" contempts of court. The judge said that in making his temporary order he had borne in mind the working miners' claim that union funds had been "put in jeopardy", and that the miners' leaders had been unable to give an assurance that they would obey court orders in future.

Counsel for the NUM said that there would be an appeal, which could be held tomorrow if this can be arranged.

Mr Herbert Brewer, the Derbyshire solicitor appointed as receiver, could bring the union's £4.3 million unfrozen funds back from Luxembourg to Britain. He could even pay the £200,000 contempt fine.

Line to Take

Peter Walker issued the following statement about the murder of the taxi driver this morning:-

"What horrifying news. I feel grief and anger - grief for the victim and anger towards those who killed him. I know that the vast majority of miners shun the men of violence and will share my revulsion and incomprehension. To anyone who does not condemn such monstrous savagery I say - how can you live with your conscience?"

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

Enquiries: John Neilson, APS/SOS for Energy, Tel: 211 7214

SECRET AND PERSONAL

F. R.
PRIME MINISTER

The taxi driver who died this morning was David Wilkie, a batchelor of about 30.

Neil Kinnock has made the following statement:

«I feel complete horror at this awful tragedy and send my deepest sympathies to David Wilkie's loved ones.

I ask whoever did this terrible thing to come forward now.

Others have died and been terribly injured in the course of this dispute. Miners and their families are appalled by what has been happening and I know that they, like me, want the violence to stop and stop now.»

30 November, 1984

Goulkomi

city area

very interesting

credit

Cassidy - Gandy

Night - White

Chad - very good

no receive it.

Very useful.

ans negotiable

Fast/news

6/1/84 To Night

under us

Study file in R.

Donnel Link

No-one opposed
This should not allow
it to be handled.

PRIME MINISTER

cc. Mr. Walker

News has reached us of an incident
in the coal dispute.

A 3 ft. concrete garden post was
thrown from a bridge on to a taxi carrying
a South Wales miner to work at the
Merthyr Vale colliery. The driver of the
taxi was trapped and as a consequence
was killed. The miner escaped unhurt.

Because of allegations of police
harassment to pickets the police have
agreed to hold a press conference today.
At that press conference they are likely
to give more details of this incident.

I have said you are horrified and utterly
condemn this murderous activity.

Bernard Ingham

BERNARD INGHAM

30 November, 1984

1987 MD
Coal

File

PRIME MINISTER'S QUESTIONS

BRENDA STOUT : DAILY MIRROR ARTICLE BY PAUL FOOT

Line To Take

It is up to the press and media to decide which stories they report and the way in which they report them. Once the police were informed of the alleged attack on Mrs Stout by three masked men at her home on October 22, they started an investigation, which is continuing.

Background Note

The Greater Manchester Police have advised that as soon as they were informed of the alleged attack on Mrs Stout they started an investigation. This is continuing in the normal way and it will not be until it is concluded that the police will be able to say whether, as Mr Paul Foot suggests, the alleged incident was connected with the miners' dispute. Mr Les Huckfield MEP has complained to the Chief Constable that his officers are not pursuing the investigation vigorously enough, a suggestion which the Chief Constable utterly rejects.

As Mr Foot's article suggests, Mrs Stout is a regular attender at the picket lines, in her wheelchair. The police say that she plays an active part. She has made a number of complaints about the police actions towards her, one of which is being actively investigated as a formal complaint under Section 49 of the Police Act 1964.

PAUL FOOT

043



DAILY MIRROR, Thursday, November 29, 1984

Pa

reporting

Three casualties of the coal war

Horror story you haven't heard..

● THIS is atrocity month in the miners' strike, so I wonder if you've heard the story of Brenda Stout.

Brenda is a miner's wife who lives at Leigh, Lancs. She suffers from severe osteo-arthritis and has been in a wheelchair for five years.

On October 22, her husband left the house at half past five in the morning, as usual.

Almost at once, Brenda says, she heard a knock on the door. As she opened it, three masked men burst in. They rampaged about the house smashing all Brenda's

precious china ornaments, and breaking the stereo.

Then they turned to Brenda herself. "They said I was a spastic bastard and my face showed room for improvement," says Brenda.

"One of them came at me with a knife. He cut me on the eyebrow, and as I lifted up my arms, he cut me long and deep down my forearms. I was covered in blood.

"They slapped me four times across the face, giving me two black eyes. Then one of them got behind me with

some kind of rope and put it round my neck.

"I blacked out. When I came to, they had gone."

When the police arrived, the whole of the Stouts' floor was covered in glass, and her arms were still bleeding. Brenda was taken to hospital and treated for cuts, bruises and shock.

As I say, have you heard this dreadful story before?

You haven't? That doesn't surprise me. There was a short report in local newspapers, and another on local

television. But from national newspapers and television—not a word.

The police, too, have kept a low profile.

A spokeswoman from Greater Manchester police told me: "We are still making inquiries about this incident."

When everyone is so keen on violence in miners' homes, I can't think why there was so little interest in Brenda Stout's allegations.

The following facts may be relevant:



MRS STOUT AND HUSBAND: She was attacked.

BURNING QUESTION OF THE ACID VICTIM

● THE same papers and television news bulletins which ignored Brenda Stout paid a lot of attention to Barry Newton.

Mr Newton, a baths attendant at Hawthorn pit, Co. Durham, is known as "Silver Oak" for his attempts to get miners back to work.

On November 16, he alleged that "three masked men" had jumped out of a car while he was waiting for a bus to go to work. They had flung "acid-type" liquid in his face, he said. His face was burned.

ITN and a lot of newspapers told this horror story. They quoted a defiant and bandaged Mr Newton as saying: "Nothing will stop me reporting for work".

The police rushed in. They were surprised to find that Mr Newton had burns on the palms of his hands.

They did not interview anyone else.

1 Brenda's husband Joe is on strike, and is a regular picket at Bickershaw pit.

2 Brenda has actively supported the strike, and has made a formal complaint against the local police for treating her roughly on the picket line.

3 Brenda's assailants complained throughout the attack that she was "giving publicity to the striking miners."

GET YOUR

A POLICEMAN'S LOT

● SADLY, I report another bet his colleagues he could get information, a senior South

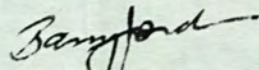
E.F

Mr Willis
Public Relations Branch
Queen Anne's Gate

MAX MADDEN'S PRESS CONFERENCE TODAY

... We spoke earlier this morning. Herewith copy of PCA's report on the Mrs Mundiya case.

Mrs Hollocks, Estabs Div 2, on Extn 294 will deal with your queries on report which do not relate to personnel matters concerning Brion and Scott. Those will fall to me and I have already outlined the present state of play.



B J JORDAN
Estabs Div 4 (extn 117)

29 November 1984

SECRET



17
COPY NO 1 OF 4

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

01 211 6402

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

ms
29 November 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the latest weekly report. *Gen*

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

*Yours
John*

*Prime Minister (2)
To note the improved
endurance position.*

J S NEILSON
Private Secretary

*AT
29/11*

SECRET



POWER STATION ENDURANCE

1 Coal deliveries to CEGB power stations last week were 0.69mt (including non-NCB sources). Coal burn was 0.78mt and stocks fell by 0.09mt. The Board's stocks last Sunday night (25 November) were 14.56mt with a further 0.80mt at Scottish power stations.

2 Total NCB deliveries last week were 0.95mt of which about 0.30mt 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 0.52mt per week. The average over the past eight weeks has been 0.70mt.

X/ 4 Given the continuing high level of coal deliveries and the completion of further system modelling work the CEGB have now revised the range of endurance outcomes to the following:-

Future usable coal deliveries

System Endurance

	<u>80% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	late Feb	early April
0.40	early March	mid June
0.45	-	Autumn 1985

Department of Energy

28 November 1984

File 16

SECRET AND PERSONAL

Daily Coal Report - Thursday 29 November 1984

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	18
(iii) Some men present	73
(iv) On strike/picketed out	37

High Moor (N Derby) and Killoch (Scotland) have moved from category (iii) to category (ii). In yesterday's report the number of pits turning some coal should have read 16, with the addition of Bold (Lancashire) to that category.

A further 179 new faces have returned today, bringing the weekly total to 1,842 and the total since 5 November to 14,998.

Regional Breakdown

			Change on Yesterday
Scotland	(24 hour total)	2,187	+ 58
North East	(morning shift)	3,044	+ 35
Yorkshire	(morning shift)	2,434	+ 24
North Derbyshire	(24 hour total)	4,631	+ 34
Western	(24 hour total)	11,113	+ 62
South Wales	(morning shift)	124	- 3
Kent	(morning shift)	111	+ 1

Coal Movements

Yesterday around 192,000 tonnes were moved.

40 coal trains ran - the best Wednesday for 5 weeks

Law and Order

South Wales police arrested 40 pickets for alleged stone throwing incidents against an M4 lorry convoy near Bridgend this morning.

11 pickets were arrested and 2 policemen taken to hospital after 250 striking miners blocked the route to Merthyr Vale colliery, near Aberfan in South Wales, where 2 men went into work.

There were no serious incidents elsewhere.

Pit Accident

A miner was killed in an underground accident at Little colliery near Cannock in Staffordshire today. Mr Trevor Prince, 48, had worked in the industry all his life.

NUM Executive

The NUM Executive met this morning in Sheffield, although Peter Heathfield and Mick McGahey were not present. Apparently Mr Scargill told the executive that he had little information about the union's recent discussions with the TUC. Before going into the meeting Mr Ted McKay, a member of the executive and full time North Wales area agent, said:

"People say they are going to put petrol through your letterbox and things of that nature. Is this what the union is all about? That was not done in the name of the NUM. That was done in the name of the president of the NUM. I believe the time has come for men of reason to take over because violence is killing the case for coal. It is totally irresponsible to put members' money and the union in jeopardy. It is not our money, its the members' money and their forefathers money. Are we responsible if we squander their money if it could have been avoided?"

SECRET AND PERSONAL

McGahey Reveals NCB Plan for Scotland

Mick McGahey claimed at a miners' rally in Partick, Glasgow, today that documents had come into his possession which indicated that the NCB was planning to 'decimate' the mining industry in Scotland. These documents appear to be similar to those relating to the North East, which were released by Mr Scargill a few weeks ago. This afternoon the NCB's Scottish Area Headquarters issued a statement saying that the documents appeared to be part of a series of ten planning drafts, none of which were definitive. They added:

"The major part of the Scottish coalfield would be producing coal in the 21st century. Jobs will continue to be available for everyone who wishes to stay in the industry. The balance in the immediate supply and demand for coal can be achieved without hardship, as more than 3,000 men have already applied to take advantage of the Board's generous voluntary redundancy terms".

Sequestration of NUM Funds

A Luxembourg judge today unblocked £4.38 million of NUM funds deposited in a Luxembourg bank. Only £250,000 - intended to cover the £200,000 fine imposed in October, plus costs - remains frozen. Price Waterhouse's request for the funds to remain blocked until High Court judgement documents arrived from London was rejected. The NUM, through its nominees, is now free to move the £4.38 million out of Luxembourg if it wishes.

Working Miners' Cases Adjourned

Preliminary moves in two High Court actions by working miners against the NUM were adjourned this morning to give the NUM time to file fresh evidence. Sixteen working miners, led by Nottinghamshire moderate Colin Clarke, are seeking court orders appointing a receiver to run the national union and making the 25 members of the national executive personally liable for the £200,000 contempt fine. The receivership action was adjourned until next Thursday 6 December, and the other action until Friday 14 December.

SECRET AND PERSONAL

SECRET AND PERSONAL

Line to Take

See attached.

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

Enquiries: John Neilson, APS/SOS for Energy, Tel: 211 7214

SECRET AND PERSONAL

FROM THE DEPARTMENT OF ENERGY

Coal Minister David Hunt said today (November 29)

"It is simply pathetic of Mr Scargill to pretend the return to work has not been a success, but it is no wonder Mr Scargill is running scared after such a disastrous month. Because of his actions, union funds have been sequestered, and the country is filled with distaste at the monstrous violence perpetrated against working miners.

"More than 15,000 former striking miners have returned to work this month alone, 2½ times as many as in the whole of the previous eight months. And more men will return to work this week than in August, September and October put together.

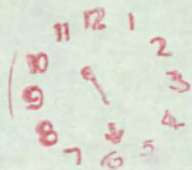
"As Mr Scargill knows, the only reason less men have been returning this week is due to the disgusting brutality of masked thugs who attack people in their own homes. Is Mr Scargill saying that violence pays? He knows that the real issue is that if he gave his members the opportunity to vote, if he gave them back the right to a democratic ballot, then they would vote to go back to work.

"Let him look at the facts: Three weeks ago, just 27 men were working in the North East - today the figure is over 3000. In Yorkshire, the number has grown from 138 to nearly 2500. Three weeks ago, 2 men were at Bersham colliery; today the pit is working normally on all faces, with 90 per cent of its miners in attendance.

"And at the beginning of the strike, there were miners at just 46 pits; today there are miners at 147.

"Let Mr Scargill answer this question for the country: More than 65,000 miners are not on strike - how many more would be back if it had not been for the brutality of last weekend."

29 NOV 1984



CONFIDENTIAL

cc DT
Pres Office UNO

01-405 7641 Ext. 3417

Communications on this subject should
be addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

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

28th November 1984

Andrew Turnbull, Esq.,
Private Secretary,
Prime Minister's Office,
10 Downing Street,
LONDON, SW1.

Dear Turnbull

MINERS' DISPUTE: SEQUESTRATION OF THE NUM'S ASSETS

Ally
The Attorney General reported to the Prime Minister on 14th November that he had given an indemnity to the sequestrators appointed by the court, Nicholls, J, following the non-payment of the fine imposed on the NUM for contempt of court. The fact that the indemnity has been given could become public later today after the Financial Secretary has submitted a memorandum to the Liaison Committee which includes a reference to the indemnity. The memorandum is submitted as part of the Consolidated Fund Act procedure.

/ I enclose a copy of a list of questions and answers that we have prepared in consultation with the Treasury Solicitor and the Department of Energy for use in connection with answering press inquiries and Parliamentary Questions. The information contained in square brackets after the answer to question 12 is intended as background information to the answer and should not be disclosed.

I am copying this letter to Gerald Hosker (Treasury Solicitor's Department) and Geoffrey Claydon (Department of Energy).

Yours sincerely,
Stephen Hyett.

A. S. HYETT

CONFIDENTIAL

THE INDEMNITY BY THE ATTORNEY GENERAL TO THE SEQUESTRATORS OF THE NUM'S ASSETS

Possible Questions

1. What are the legal proceedings referred to in the indemnity memorandum?

They are proceedings to enable the assets of the NUM to be brought under the control of the sequestrators who were appointed by the High Court (Nicholls J.) on 26 October 1984 in the case of Taylor and Foulstone v. National Union of Mineworkers (Yorkshire Area) and the National Union of Mineworkers following the non-payment of a fine imposed on the NUM for contempt of court.

2. What does the indemnity cover?

The costs and expenses reasonably and properly incurred by the sequestrators in carrying out their duties in pursuance of their appointment by the court.

3. Why was the indemnity given?

In order that the sequestrators would not be prevented by lack of resources from carrying out their duties.

4. Why was the indemnity given by the Attorney General?

It is the proper concern of the Attorney General, as guardian of the public interest, that the law should be upheld and the orders of the courts should not be ignored or defied with impunity.

5. Why has the Government given an indemnity in this particular case, to which it is not a party, and not in others?

Each case would be considered on its merits, but it was thought that this case involved highly unusual considerations of particular public importance. The sequestration was not ordered to enforce a judgement in favour of one of the parties to the action. It was ordered following the non-payment of a fine imposed for deliberate contempt of court by the NUM. The NUM not only made it clear that it would not obey the order of the court, but it tried to put itself outside the reach of the court by transferring its assets abroad. The Government considers that it is important that the NUM should not be able to defy and frustrate the orders of the court in this way.

6. Has the Government paid out any money under the indemnity?

No.

7. Is not the effect of the sequestration to punish the members of the NUM, not its officials?

We are concerned only with the indemnity, not with the order appointing the sequestrators or with the fine imposed on the NUM for contempt of court. In any case, it is not for us to comment on an order of the court.

8. Under what legal power was it given?

Under the common law powers of the Crown [A "one off" exercise - therefore no Parliamentary impropriety under the 1932 Concordat between the PAC and the Treasury. It is permissible to rely on the Vote provision alone.]

CONFIDENTIAL

9. Why was the House only informed by means of a Supplementary Estimate?

There was adequate information supplied with the estimate.

10. Why was a minute about the contingent liability not laid before the House?

The information supplied with the Supplementary Estimate provided all the relevant details.

11. Is the liability under the indemnity unlimited?

Yes. If the sequestrators are successful in taking early control of a significant amount of NUM funds, it is unlikely that the Crown will have to make any payments under the indemnity. If there is a delay before the sequestrators are successful, any payments by the Crown under the indemnity will be repayable by the sequestrators out of NUM funds subsequently recovered by them.

12. How many firms of lawyers are involved on behalf of the sequestrators?

Five. Apart from the sequestrators' London solicitors, firms are currently instructed by them in the Republic of Ireland, Luxembourg and Switzerland. There were also proceedings initiated in the Isle of Man but these have recently been discontinued.

[Isle of Man

The action has now been abandoned.

Estimate of the legal charges incurred £3000.

12. (contd.)

Republic of Ireland

Estimate of the costs so far £25,000.

Luxembourg

Estimate of the costs so far £5000.

Switzerland

Estimate of costs so far £5000.

London

Clifford-Turner: [Costs so far estimated at £20,000]

13. What is the estimated amount of the sequestrators' costs to date which are covered by the indemnity?

About £30,000.

14. Can the sequestrators start new proceedings and be covered by the indemnity?

Only if they consult the Attorney General and he agrees that the indemnity will apply to the new proceedings.

15. What other expenditure is covered by the indemnity?

Any payments which may be due under a cross-undertaking which may have to be given in the Dublin proceedings.

16. Has the Government given indemnities to sequestrators before?

We do not know of any other case where the Attorney General has given an indemnity.

Not Ind: Coal Pt 14

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'TUC WILL DO ALL IT CAN TO END STRIKE'

THE TUC IS TO DO EVERYTHING IT CAN TO GET TALKS RE-OPENED BETWEEN THE MINERS' UNION AND THE COAL BOARD IN AN ATTEMPT TO SETTLE THE PITS STRIKE, TUC GENERAL SECRETARY NORMAN WILLIS SAID TODAY.

SPEAKING AFTER A MEETING OF THE TUC GENERAL COUNCIL, HE SAID HE DID NOT ENVISAGE AN EARLY APPROACH TO THE NCB.

'WE ARE NOT PROPOSING AT THE MOMENT TO APPROACH THE NATIONAL COAL BOARD, BUT WE ARE SOUNDING OUT IN ALL DIRECTIONS,' SAID MR WILLIS.

'IT DOES NOT LOOK FROM STATEMENTS WHICH HAVE BEEN MADE IN PUBLIC THAT THE BOARD, AT THE MOMENT, WANTS TO GO INTO NEGOTIATIONS. I FIND THAT REGRETTABLE.'

HE SAID THE NCB'S TACTIC OF PINNING HOPES FOR AN END TO THE STRIKE ON A SURGE BACK TO WORK HAD NOT SUCCEEDED. THE BOARD APPEARED STUCK ON A PARTICULAR LINE AND THE TUC WOULD BE SEEKING TO RE-OPEN NEGOTIATIONS.

MR WILLIS SAID THE TUC WOULD ALSO BE TALKING AGAIN TO NUM LEADERS.

THE TUC APPEARS TO BE WORKING AROUND THE POSSIBILITY OF NEGOTIATING A NEW PLAN FOR COAL, WITH THE AGREEMENT OF THE NUM TO TAKE A MORE FLEXIBLE LINE.

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MS

~~14~~ 15

Ref. A084/3175

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;
 - how to sustain the return to work, in the light of this week's large drop in the numbers;
 - the pay settlement for 1984-85 reached yesterday with the British Association of Colliery Managers (BACM) (5.2 per cent, the same as for 1983-84) and the negotiations with NACODS due on 29 November;
 - the NUM National Executive Committee meeting on 29 November.
- (ii) The Home Secretary on law and order, particularly arrangements to protect individuals from assault on themselves and their property.
- (iii) The Secretary of State for Employment on likely developments, if any, from the TUC, in the light of this week's meeting with NUM officials (excluding Mr Scargill) and meetings of the Finance and General Purposes Committee (two) and the General Council, following which the TUC General Secretary announced that the TUC would do everything possible to get negotiations started again.

Press report
attached



(iv) The ^{Solicitor}~~Attorney~~ General on progress by the sequestrators.

Line to take

2. You will wish to establish a clear line for Ministers to take over the next ten days or so, in view of

the tailing off of the return to work;

the serious incidents of violence against individuals and their property;

the continuing blatant flouting of the High Court by senior NUM officials (as exemplified by reports of Mr McGahey's treatment of the Bailiff and the writ he served on behalf of the sequestrators outside Congress House on 27 November);

the rally in Stoke-on-Trent on 30 November to be addressed by Messrs Kinnock and Scargill;

the meeting to be held after 30 November between a Labour Party delegation (led by Mr Kinnock) and the NUM.

Next Meeting

3. In view of your attendance at the European Council next week the next opportunity for discussion is scheduled to be at Cabinet on 6 December, although 10.30 am on Wednesday 5 December is booked in your diary should developments in the dispute indicate that a MISC 101 meeting on that day would be desirable. (The next firmly planned MISC 101 is on Monday 10 December.)

RA

ROBERT ARMSTRONG

28 November 1984

NI5358 3 XXX 166

1 - £4.6M. OF NUM CASH FROZEN

ACCOUNTANTS APPOINTED BY THE HIGH COURT TO SEIZE THE ASSETS OF THE MINERS' UNION HAVE TRACED AND FROZEN £4.6 MILLION HELD IN A LUXEMBOURG BANK ACCOUNT IN THE NAME OF TWO PAID OFFICIALS.

THE NEWS WAS GIVEN TODAY TO MR JUSTICE NICHOLLS, THE JUDGE WHO ORDERED SEQUESTRATION OF THE UNION'S £8.9 MILLION NATIONAL ASSETS AFTER IT FAILED TO PAY A £200,000 CONTEMPT FINE.

MR HOWARD PAGE, COUNSEL FOR SEQUESTRATORS PRICE WATERHOUSE, TOLD THE JUDGE THAT THE MONEY WAS PART OF THE £8.4 MILLION ORIGINALLY TRANSFERRED BY THE NUM TO DUBLIN AND LATER TO A NEW YORK BANK.

SOME OF THE REMAINDER OF THE MONEY WAS IN A SWISS BANK ACCOUNT, HE SAID.

THE MONEY IN LUXEMBOURG WAS HELD IN THE NAMES OF THE UNION'S HEAD OF ADMINISTRATION, TREVOR CAVE, AND ITS CHIEF FINANCIAL OFFICER, MR STEPHEN HUDSON, IN AN ACCOUNT AT NOBIS-FINANZ INTERNATIONAL.

IT HAD BEEN FROZEN BY AN ORDER GRANTED TO THE SEQUESTRATORS BY A LUXEMBOURG JUDGE ON NOVEMBER 14.

(MORE FOLLOWS)

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MR TURNBULL

28 November 1984

COAL DISPUTE

Despite initial mishandling both the NCB and Peter Walker are now clearly on the record stating that jobs cannot be guaranteed where pits or faces are lost. There has been little adverse reaction. Indeed it is telling that Scargill's response had not been to escalate the issue but to try and mute it: saying that no pits would be lost and hence no jobs either. Having weathered the storm we should now go for more publicity on this point.

Without new impetus the diminishing level of returns make it inevitable that the strike will not end by this current drift back to work. North Derbyshire is the only field with a percentage working near the 50/50 split, all other fields have either less than 15% or more than 90%.

Next March most of the strikers will have been out for a year. They will then be told (incorrectly) that coal stocks are exhausted and if they can hold out to the following winter then victory will be secure. Their spirit will be reinforced by surviving the winter and by reaching such a landmark. We could be facing a distorted but real 'Dunkirk spirit' in the mining communities.

During the winter more faces and perhaps pits will have deteriorated and some will have been lost - many of those may be uneconomic pits, some will have been profitable ones. The cost will have mounted by further billions and the violence, intimidation and lawlessness become ingrained. At the same time our battles with the GLC and Metropolitan Councils will be beginning in earnest, and one can see the forces of darkness joining in a cause celebre.

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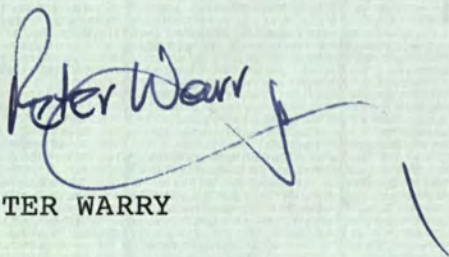
SECRET

No single factor is ever likely to persuade a striker to return. Money, despair of an end to the strike, fear of losing one's job if one does not return, and what one's workmates are doing or are expected to do must all be factors. The huge sums of redundancy pay did not prevent the strike starting and it is unlikely that far smaller sums will, on their own, get them back.

To get more miners back on this current wave we must warn that the stakes may have to rise. 21 faces have been lost, 84 are under threat, how many more yet to come? NACODS will complain, but unless they declare themselves against the Luddites thereby distancing themselves from Scargill, they have no case. The NCB must force Sampey out into the open. In any event ~~we~~^{they} cannot take strike action without a new ballot.

We must ask how any politician or the TUC can continue to support arson and near murder, and if they do, how can they expect their public to still support them? They can no longer pretend that this behaviour is merely an extension of an industrial dispute nor must they be allowed to support the dispute yet dissociate themselves from the violence. They are now one and the same.

The choice is between political trouble now or potentially much worse next year. _____



PETER WARRY

SECRET

SECRET AND PERSONAL

Daily Coal Report - Wednesday 28 November 1984

13

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	16
(iii) Some men present	75
(iv) On strike/picketed out	37

Bold (Lancashire) has moved to category (i). Darfield (Yorkshire) has moved from category (iv) to (iii).

By 5.00 pm a further 273 new faces had returned (compared with 824 last Wednesday). This brings the weekly total to 1,652 and the total since 5 November to 14,787.

In Scotland 78 new faces reported and in the North East 49. Detailed area attendance figures were as follows:-

Scotland	(24 hour total)	2,129
North East	(morning shift)	3,009
Yorkshire	(morning shift)	2,310
North Derbyshire	(24 hour total)	4,597
Western	(24 hour total)	11,051
South Wales	(morning shift)	127
Kent	(morning shift)	110

Coal Movements

Yesterday was a good day: 191,000 tonnes were moved.

37 coal trains ran.

SECRET AND PERSONAL

Law and Order

The usual skirmishing, but no reports of major violence today.

TUC

It is not clear why Scargill failed to appear at last night's meeting between the NUM and TUC.

Statements from a number of the TUC's leading personalities, made after today's General Council meeting, suggest a TUC initiative for fresh talks may be imminent. There is no information on the form this will take.

(I spoke to Mr Walker who has received no approach. All the signs are that the TUC is floundering, or in Mr Walker's words "sounding out in all directions".

NUM/Labour Party

The Labour Party National Executive today called for a "top level" meeting to "clear up misunderstandings and to consider joint action" over the coal dispute.

High Court

The sequestrators reported to the High Court today that they had now traced and frozen nearly £8 million of NUM funds in accounts in Dublin, Luxembourg and Zurich.

NCB (Enterprise) Ltd

It was announced today that the cash available to this company to support job creation initiatives in mining areas is being doubled from £5 million to £10 million, with the prospect of further increases when the need arises.

NCB accounting methods and pit closures

There has been some media comment about the article by six accounting academics, which was withdrawn from yesterday's "Accountancy" magazine and which criticised the Coal Board's internal accounting procedures. The authors argue, inter alia, that the Board look only at historic not forecast performance in considering closures. The Board say these arguments are simplistic and incoherent. In their evaluations they do take account of many factors including future prospects. They believe the authors' calculations are erroneous in methodology and conclusion.

Line to Take

On a day when the cash available to NCB (Enterprise) for job creation in mining communities is doubled, those communities should consider carefully who is really looking after their interests: the Coal Board who are offering the best package deal since nationalisation, or the left wing thugs who are wreaking havoc and violence.

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

12

Daily Coal Report - Tuesday 27 November 1984

	<u>Number</u>
(i) Working normally	46
(ii) Turning some coal	15
(iii) Some men present	75
(iv) On strike/picketed out	38

Bersham (North Wales) has now moved to category (i). Sutton Manor (Lancashire) and Fryston (North Yorkshire) have moved from category (iv) to (iii).

Yesterday's slowing of the return to work was repeated today. By 5.00 pm a further 350 miners had returned (compared with 940 last Tuesday). This brings the weekly total to 1,371 and the total since 5 November to 14,514.

The most significant increase today was in Scotland where a further 106 new faces reported, followed by the North East where 98 new faces reported. Elsewhere attendances were much as yesterday.

Coal Movements

173,000 tonnes were moved yesterday.

27 coal trains ran.

Law and Order

Generally a quieter day. However in one incident a striking miner was stabbed - it appears his assailants may have mistaken him for a working miner.

SECRET AND PERSONAL

TUC meets NUM

It is reported that Scargill did not turn up for this meeting. As yet we do not know what significance to attach to this.

The TUC General Secretary is reportedly meeting the NUM tonight to discuss the recent violence and the NUM's reaction to it.

*Heathfield
McGrath*

Colliery Managers' Pay Settlement

Following negotiations with the Board, leaders of the British Association of Colliery Management (BACM) are reported to have accepted a 5.2 per cent pay increase, as from November 1, for the Board's 15,000 management staff.

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 6070



11

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

27 November 1984

Dear Andrew

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

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

*Yours
John*

J S NEILSON
Private Secretary

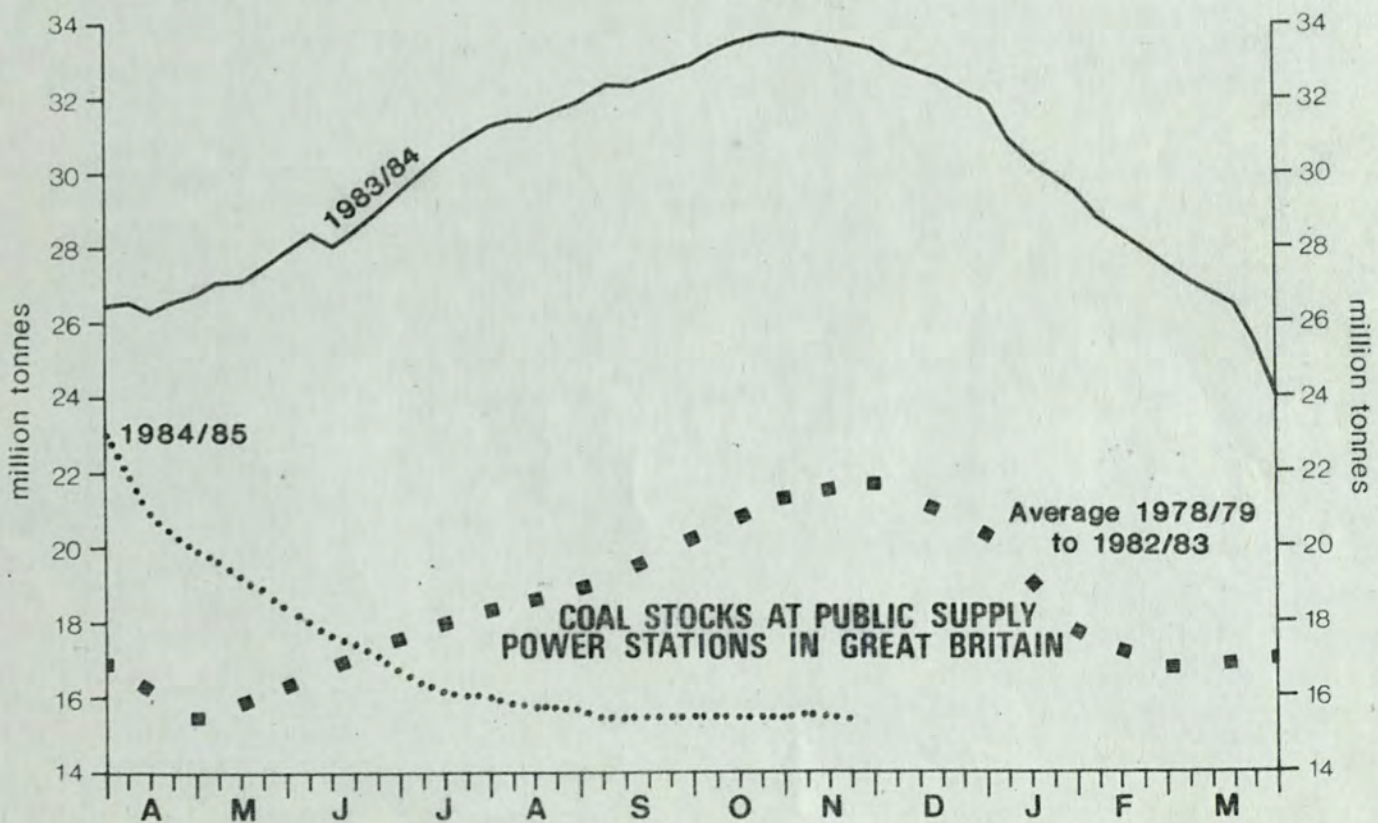
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 19 11 83 : 27 10 84 3 11 84 10 11 84 17 11 84

PRODUCTION		deep mines+	1.93:	0.55	0.56	0.57	0.57
(m. tonnes)		opencast+	0.32:	0.31	0.29	0.25	0.25
TOTAL			2.25:	0.86	0.85	0.82	0.82
PRODUCTIVITY(2)		'overall' o.m.s	2.50:	2.43	2.49	..	..
(tonnes/manshift)		'production' o.m.s	10.30:	11.57	12.04	..	..
UNDISTRIBUTED STOCK		TOTAL	24.52:	21.63	21.51	21.27	21.34
(m. tonnes)							
COAL STOCKS	(m. tonnes)		33.28:	15.48	15.60	15.52	15.45
COAL CONSUMPTION	"		1.84:	0.73	0.62	0.79	0.76
COAL RECEIPTS	"		1.65:	0.69	0.73	0.71	0.69
OIL STOCKS(3)	"		1.36:	1.15	1.19	1.33	1.29
OIL CONSUMPTION(3)	"		0.07:	0.56	0.59	0.57	0.62
OIL RECEIPTS(3)	"		0.03:	0.45	0.57	0.65	0.52
ELECTRICITY SUPPLIED (4) (Gwh)							
Nuclear	"		764:	791	851	924	886
Other Steam	"		4,342:	3,822	3,714	3,953	4,090
TOTAL	"		5,156:	4,612	4,565	4,877	4,976
TOTAL - temperature corrected	"		5,014:	4,585	4,406	4,855	..

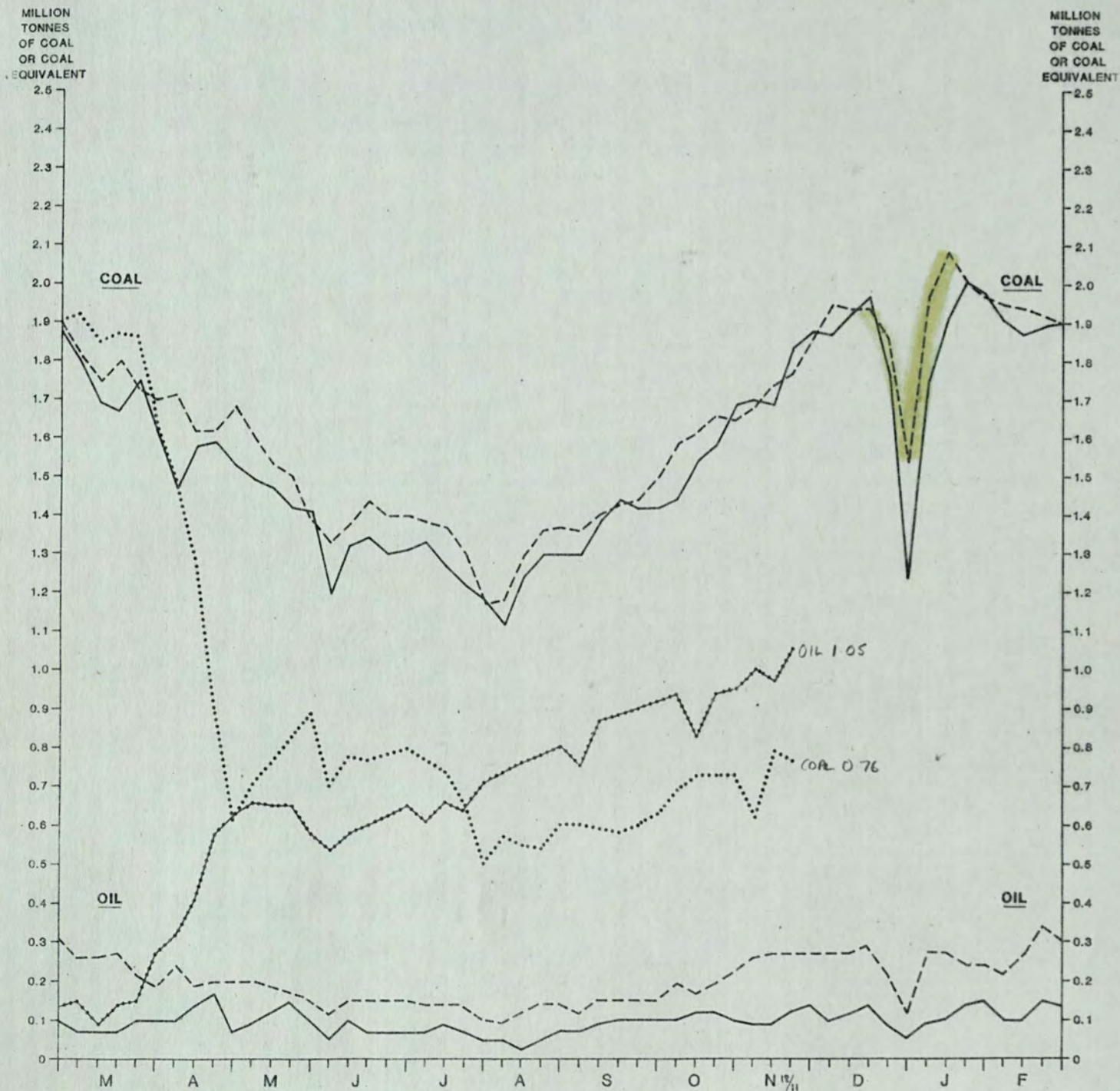
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 .. data not yet available. + includes licensed production.



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



NISL 37 4 XXX 227

Prime Minutes (2)

Mr Wright plus 4 remanded in custody (now 11 in total)
2 more bailed

NUM BRANCH PRESIDENT IN CUSTODY

AN NUM BRANCH PRESIDENT WAS REMANDED IN CUSTODY TODAY IN CONNECTION WITH THE ATTACK ON WORKING MINER MICHAEL FLETCHER. MR FLETCHER, 24, LEFT PONTEFRACT HOSPITAL LATE THIS AFTERNOON AFTER BEING BEATEN UP IN HIS HOME ON FRIDAY. HE HAS A BROKEN SHOULDER, BROKEN ANKLE, BRUISED RIBS AND OTHER INJURIES.

FRYSTON COLLIERY BRANCH SECRETARY ROY WRIGHT, 55, AND SIX OTHER MINERS APPEARED IN COURT TODAY. ELEVEN OTHER MINERS APPEARED BEFORE MAGISTRATES ON MONDAY.

MR WRIGHT OF BROTHERTON, NEAR CASTLEFORD, WAS ACCUSED THAT WITH OTHERS HE CAUSED GRIEVOUS BODILY HARM TO MR FLETCHER.

MICHAEL JOHN TRAVIS, 28, AND SEAN GORNER, 23, BOTH OF CASTLEFORD, WERE REMANDED ON CONDITIONAL BAIL UNTIL DECEMBER 3.

BOTH ARE ACCUSED OF BESETTING MR FLETCHER'S HOME AND GORNER OF CARRYING PAINT WITH INTENT TO CAUSE DAMAGE.

THE OTHER FOUR MINERS WERE REMANDED IN CUSTODY UNTIL DECEMBER 3. STEPHEN CUNNINGHAM, 25, OF NORMANTON, NEAR CASTLEFORD, AND ROBERT REIDMAN, 23, OF CASTLEFORD ARE ACCUSED OF ENTERING MR FLETCHER'S HOME, CAUSING GRIEVOUS BODILY HARM AND CARRYING PICK-AXE HANDLES.

COLIN LOVEDAY, 25, AND ANDREW WEAVER, 23, BOTH OF CASTLEFORD ARE CHARGED WITH CAUSING AN AFFRAY.

MR IAN STAMP, PROSECUTING, SAID THAT POLICE INQUIRIES ARE CONTINUING.

REPORTING RESTRICTIONS WERE NOT LIFTED.

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↓
There are still others are
"helping police with their enquiries"
The possibility of a conspiracy
charge is being considered.

AT 271



10 DOWNING STREET

Prime Minister (2)

To note

- (i) that in w/e 17 November,
the second of the return to
work, there was little
impact on production
- (ii) stocks fell 70,000 tons
- (iii) there is a major drop
in coal consumption over
Christmas - see second
chart.

AT

27/11

PM

Mrs McGibbon, Secretary of the Working Miners group, has just telephoned to say -:

- (a) Many ^{striking} miners have been telling her, discreetly, that they intend to go back to work after Christmas, but not before, to avoid family intimidation over the holiday. She was expecting quite a flood back therefore after the holiday;
- (b) today's news of likely New Year

talks, will certainly have
a profoundly negative
effect on this possible
returning flood after
Christmas. I naturally said
nothing, but promised to report to you.

MA

NOTE FOR THE RECORD

MR BUTLER

MINERS' STRIKE - TUC

I received a telephone call from Geoffrey Goodman, Daily Mirror, last night about a private dinner party between Peter Walker, Secretary of State for Energy, and Messrs Basnett and Buckton on Sunday, November 25, 1984.

Mr Goodman said his publisher, Robert Maxwell, had a hand in setting up the occasion. The fact that the dinner had taken place was not known to the rest of the TUC.

Mr Goodman said that "things are moving a bit on the TUC side". There was to be a special meeting of the TUC group monitoring the coal strike, which was meeting the NUM today (Tuesday), immediately before the TUC General Council on Wednesday.

The objective of the operation was to persuade the NUM that the time had come "to negotiate seriously".

I asked about the chances of this succeeding. Mr Goodman said they were thought to be "fairly reasonable" because Scargill was now convinced there was a limit to what he would achieve by a strike and certainly a limit to what the TUC could or would be prepared to offer by way of help.

He said Scargill's card had been well marked. "Have no doubt about that". He had been told he must face the reality of the situation.

I asked what message Mr Walker had given. Mr Goodman replied: "The message was broadly as we discussed before", referring to my earlier meeting with Mr Basnett.

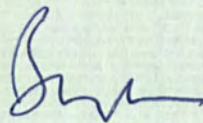
I said "I suppose that means Nacods or nothing".

Mr Goodman did not dissent that that had been Mr Walker's message. But, he said, the NUM would need a little more time to enable them to go back to their members.

I noted, without comment, this observation and also Mr Goodman's concluding point: "Everyone of course recognises that nothing can be done before the present return to work has been exhausted."

Comment

The latter comment does not apparently square with other reports that the TUC are trying to get negotiations resumed before the Kinnock/Scargill rally on Friday. On the other hand, resumed negotiations would no doubt discourage a further return to work.



BERNARD INGHAM

27 November 1984

subject cc master

SECRET

27/11/84

cc FERB ~~destroyed~~
BI

10A

Mr Gregson (c.o).

NOTE OF A MEETING TO DISCUSS THE COAL DISPUTE HELD AT
10 DOWNING STREET ON 26 NOVEMBER 1984

The Secretaries of State for Energy and Employment stayed behind after MISC 101 to discuss with the Prime Minister approaches which had been made by the TUC in connection with the coal dispute. Mr. Walker said he had been contacted by Robert Maxwell on Saturday who wished to arrange a meeting with Mr. Basnett and Mr. Buckton. Mr. Walker had said he was prepared to see TUC representatives, either publicly or privately, but he did not want such talks arranged by a newspaper proprietor. Subsequently, Mr. Basnett had contacted him directly and a meeting had taken place at Mr. Walker's house with Mr. Basnett and Mr. Buckton on Sunday evening.

Mr. Basnett and Mr. Buckton sought advice on what propositions they could put to Government as a basis for further talks. Mr. Walker said that the NCB had reached an agreement with NACODS on the central issues of the dispute and there could be no advance in substance; there was scope, however, for explanation and clarification, eg on the nature of the Review Body. Mr. Basnett and Mr. Buckton said the NUM would find it difficult to accept an agreement reached with what it considered to be a lesser union.

Mr. Basnett had proposed a return to work while talks were undertaken to produce a new Plan for Coal. A date would be set for the completion of this work. Their objective was to put to the NUM a "reasonable" proposal; if it did not accept the TUC would see itself as having discharged its obligations and would feel free to withdraw its support. They believed that the moderate members of the NUM Executive would accept a TUC proposal.

Mr. Walker had pointed out that the Board had offered, as far back as 6 March, to update the prospects for the coal industry. But it was difficult to conduct such discussions while the NUM insisted on no closure of uneconomic pits. This

SECRET

would prevent a reduction in NCB costs and deny the coal industry any opportunity to increase its markets. Furthermore, the Government could not accept a moratorium on closures while its discussions were going on.

Mr. Walker said that Mr. Basnett and Mr. Buckton were clearly upset at the violence in the coal fields and the way in which this was being reflected on to the trade union movement. They were anxious to find some way of getting off the hook. They realised that the proposals they had brought to the meeting would not be acceptable to Government and agreed to go away and think further.

Mr. Walker said the TUC were likely to return in the next couple of days with a proposal for a meeting with either him or the Prime Minister. The difficulty was that they might emerge with an apparently reasonable proposal upon which the TUC and Labour Party could unite and which might look attractive to the public. Recently, the Government had held the high ground both on the main issues of the dispute and on the question of violence. A clumsy rebuff to the TUC's offer could, however, put the Government on the defensive.

In discussion, it was agreed that the Government should see the TUC if they made a request, but that did not mean that the Government had to concede any of the principles upon which it had been standing. The Prime Minister believed the Government and NCB had a strong case and would not easily be shifted from ~~his~~^{their} position of advantage. Nevertheless care was needed in developing a reponse to the TUC. Mr. Walker said the main danger to the Government was if the talks were handled badly and the TUC, in anger, managed to stir up support amongst tanker drivers.

It was agreed that the Government should not accept the premise that "negotiations must be got going again." The TUC should be told:

- (i) there was no point in talks unless the NUM were prepared to drop its insistence on no closure of uneconomic pits. There could be no advance in substance on the NACODS agreement.
- (ii) There could be further talks on the future of the coal industry when the strike was over but only if the NUM were prepared to accept closure of uneconomic pits.
- (iii) That the best chance for progress in the dispute was if the TUC insisted that the NUM
 - end the violence
 - abide by the TUC guidelines on picketing
 - ballot its members.

The TUC should be asked whether they spoke with authority to deliver the NUM.

Mr. Walker agreed to report back if he received any further approach from the TUC.

Other points raised were:

- (i) Mr. Walker said it was important to nail the argument that because 75 million tonnes of production had been lost during the dispute there was no longer a need to close capacity of 4 million tonnes. The counter was that there ~~was~~ still 37 million tonnes in stock and that it was still necessary to meet future demands from economic capacity.
- (ii) Mr. King reported that the Bishops had contacted Mr. Lowry who had been discouraging about the prospects for future talks, though this had not prevented the Bishops from pursuing the ACAS avenue.

AT

27 November 1984

VC2ABX



→ TP

CONFIDENTIAL

BT
Cato

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
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TELEPHONE DIRECT LINE 01-215
SWITCHBOARD 01-215 7877

PS/
Secretary of State for Trade and Industry

mf

26 November 1984

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

- 1, Mr Turnbull
- 2, P. M. Minter

Dear Tim,

W

COAL DISPUTE: EFFECTS ON MINING EQUIPMENT INDUSTRY

27/11

We spoke last Thursday about the information this Department had received from the Association of British Mining Equipment Companies on the effects of the coal dispute on their members. It may be helpful to you, and to other copy recipients of this letter, to have a short account on paper of what the Association have told us. As you know, they were consulted and were content for the information to be used.

2 The Association asked all their ninety member companies to complete a questionnaire during the summer. They reported that in November 1983, ABMEC's members had 32,200 workers. In July 1984, through redundancies and/or short-time working, the workforce was equivalent to 23,600 full-time employees, a reduction of 26.6%. The Association's members estimated at that time that, if the strike were to continue into next year, they would have an equivalent workforce of 20,400: a reduction of 36.5%.

3 ABMEC looked at the "knock-on" effect of the strike on sub-contractors as well. The estimated total workforce involved was around 60,000 before the strike. If the strike were to continue into 1985, this figure would be reduced to some 40,000 if the effect on employment levels in the sub-contractors was similar to that on the ABMEC companies. However, the Association add that - because the effect of the coal dispute on demands for spares etc provided by the sub-contractors is actually more adverse than the effect on the equipment manufacturers themselves - the total

JH1BPF



workforce involved (equipment manufacturers' plus sub-contractors' employees) could fall as low as 30,000 or 35,000 if the strike goes on into next year.

4 I am sending a copy of this letter to the Private Secretaries of members of MISC 101 and to Richard Hatfield.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Ruth'.

RUTH THOMPSON
Private Secretary

JH1BON

Prime Minister

10

Daily Coal Report - Monday 26 November 1984

AT
26/11

	<u>Number</u>
(i) Working normally	45
(ii) Turning some coal	15
(iii) Some men present	75
(iv) On strike/picketed out	39

mt

Bersham (North Wales) has been upgraded to category (ii). Ackton Hall (Yorkshire) and Solsgirth (Scotland) have been upgraded to category (iii).

By 5.00 pm a further 975 striking miners had returned. (This compares with 2,282 last Monday, though given the large numbers that have already returned in North Derbyshire some lessening of the flow back is unsurprising).

This brings the total who have returned since 5 November to 14,118. The number not on strike in the industry rose to 99,000 - 44 per cent of the total workforce.

In Scotland 280 new faces reported on the morning shift. Attendance at Bilston Glen rose to 884. There were men present at a further 9 pits, notably Monkton Hall (206), Killock (123) and Polkemmet (110).

In the North East there were 278 new faces and good attendances at Ellington (562), Whittle (466), Wearmouth (312), Vane Tempest (181).

In Yorkshire there were 134 new faces including 400 at Shireoaks. Attendance at Manton dipped to 363. One factor was that NACODS withdrew co-operation. More generally recent violence and

intimidation in the Yorkshire coalfield has undoubtedly deterred many who would wish to work.

There were 137 new faces in North Derbyshire. Elsewhere the position was fairly static.

Coal Movements

953,000 tonnes were moved last week - coincidentally, the same tonnage as the week before.

32 coal trains ran on Friday.

Law and Order

6 people have been charged following Friday's savage attack on Michael Fletcher in his home at Castleford. A further 5 have been charged on related offences.

There were further outbursts of violence throughout the Yorkshire coalfield this morning with reports of lorries set on fire, oil being poured across roads, barricades, and missiles being thrown at the police. There was also trouble in Wales.

Scargill

Scargill returned to London today from a short visit to Paris, where he reportedly had talks with his French counterpart.

Line to Take

The return to work is continuing. 99,000 men - 44 per cent of the total workforce of the industry - are not on strike. It is not surprising that Mr Scargill is again turning for help to his overseas paymasters.

SECRET AND PERSONAL

Mining communities want a return to work and reconciliation, not the campaign of mob violence and intimidation which the militant left are now set upon.

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

Conservative Research Department Brief

COAL - LIMIT OF DEFICIT GRANTS ORDER
 - PAYMENTS SCHEMES AMENDMENT ORDER

Prepared For:

Debate in the House of Commons on
 Monday, 26th November 1984

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Appendices

Enquiries to: Andrew Tyrie
 32, Smith Square, London SW1
 01-222 9511

Ref: EN(84)5

A. Introduction

The two Orders that have been laid before the House illustrate the fundamental issues at stake in the current miners' dispute; issues which the violence and intimidation on the picket line must not be allowed to obscure.

First, the Order to increase the limit on deficit grants payable to the National Coal Board illustrates the vast scale of the industry's losses over the last two years. No private sector company could continue to trade with such a poor record. The Government, through the taxpayer, cannot indefinitely be expected to fund huge losses on the scale that we have seen hitherto.

The accrued Government support in 1983/4 totalled £1.3 billion. This is equivalent to an increase in the basic retirement pension of £2.70 a week for each pensioner, or a 39% increase in the current level of child benefit. £1.3 billion would more than pay the annual salary bill for NHS Hospital Doctors and dentists.

While raising the limit on deficit grants to accommodate such losses, the absolute necessity to reduce the tail of high-cost pits becomes even more clear. Failure to tackle this problem will not only absorb scarce resources that could be used more effectively elsewhere, but it will also pose a threat to the prospects for lasting employment in the coal industry itself.

Secondly, the Redundant Mineworkers' Payment Scheme is an impressive reminder that this Government understands that the inevitable restructuring must be carried out with humanity and understanding. The provision of redundancy benefits, beyond those which the industry itself can afford, and the offer of security of employment to all those who want it, shows a commitment to the British miner stronger than that of any previous Government.

These provisions are in sharp contrast to the way in which the NUM Executive has allowed the current dispute to develop. The decision not to pay strike money, the support that has encouraged the paid and violent pickets to ever more serious acts of intimidation, the disregard for the damage that the strike is doing not only to good and economic coal faces but to the economy as a whole, and the denial of the miners' right to a ballot on an excellent deal; these issues lay bare the disregard which the NUM leadership has for its ordinary members.

B. Increase in the limit on deficit grant

1. Background. The Coal Industry Act 1983 provided that the maximum amount grant which the Government might pay to finance the deficits registered by the National Coal Board should be £1200 million for the years 1983/84 to 1985/86 inclusive. This limit could be raised in one or more stages to £2000 million by Order of Parliament. This Order would therefore increase the limit to £2000 million, the maximum amount permitted under the 1983 Act.

2. Reasons for the Order. The NCB registered a much larger loss in 1983/84 than had originally been forecast. In the event the loss was £875 million.

This figure can be broken down as follows:

£197 million:	the current strike and overtime ban.
£143 million:	the high costs of putting right the subsidence damage in the Mansfield area.
£535 million:	the Board's adverse trading position with problems of overproduction and a tail of high cost pits.

The original deficit limit of £1200 million has already been breached by some £193 million. It is difficult to assess what the NCB's precise losses for 1984/85 will be, but current indications suggest that the full £607 million sought for in this Order will be required. In short, over the two years 1983/84 and 1984/85, the NCB will need at least £2 billion to account for its losses on revenue account alone.

As Mr Peter Walker has said:

'Support on this scale greatly exceeds anything available to the industry's competitors in Europe. The subsidy element is equivalent to £130 per week for each man on colliery books' (Hansard, 4th June 1984, WA, Col. 120).

The National Coal Board has estimated that if it cut out the 12 per cent of its output which is the most costly to produce, it would save around £215 million a year.

C. The Redundant Mineworkers' Payment Scheme (RMPS)

1. Background. Redundancy follows from the closure of pits only when miners themselves decide that they wish to leave the industry. Those who do leave in these circumstances are eligible for payments which, compared with other industries, are very generous.

Redundancy terms have greatly improved under the present Government. A miner aged 50 with thirty years' service receives a capital sum of £14,500 and £79 a week until normal retirement age assuming he fails to find another job. For those under 50 a capital sum of £1,000 for every year of service (from the age of 16) is available. (See Appendix I for payments under RMPS).

Under the last Labour Government, redundant mineworkers over 50 received no capital payments whatsoever; those under 50 were eligible for no more than £1,450.

2. Reasons for the Order. This Order is needed because of the present dispute. The Secretary of State for Energy, Mr Peter Walker, said that:

'The Government have no desire to see miners who take redundancy penalised as a result of the strike. They therefore intend to introduce amendments to the redundant mineworkers' payments scheme to enable men whose scheme benefits are affected during the period of the dispute to receive additional payments designed broadly to compensate for RMPS basic benefits and pension supplement lost. Such amendments are necessary because under the existing order, entitlement to weekly RMPS benefit is linked to eligibility for unemployment benefit so that a man who is ineligible for the latter also generally loses entitlement to the former. A man's entitlement to lump sum benefit is not affected' (Hansard, 25th May 1984, WA, Col. 580).

3. Changes to be made

- The Amendment Order will enable weekly benefits under the RMPS (except unemployment benefit equivalent under Article 9 of the existing Order*) to be paid to employees becoming redundant during a trade dispute who would not otherwise be entitled to such benefits because of the present provisions contained in the Social Security Act 1975.
- The Amendment Order will also enable an additional lump sum to be paid to men who lost basic benefit or pension supplement due to the current dispute (a period which will not obviously be affected by the changes outlined above).

In the first 6 months of the current financial year up until the end of September, nearly 6,000 men received RMPS benefits for the first time, and expenditure amounted to just over £100 million. Those changes are expected to affect a few hundred men at a cost of a few hundreds of thousands of pounds, and will remove a considerable source of grievance amongst those miners who have been affected.

- * Article 9 benefit is a sum equivalent to the prevailing rate of unemployment benefit paid to men who would be entitled to unemployment benefit but for the fact that their entitlement is exhausted. A man who is ineligible for unemployment benefit for the duration of the dispute will not begin his period of entitlement to that benefit until the dispute is over, and therefore would not be entitled to Article 9 benefit.

D. Developments in the Strike since the NACODS Settlement

(For information on the industry and the strike prior to the NACODS settlement, see Politics Today (No. 19, 5th November 1984): 'The Coal Industry'.)

1. The Return to Work

Since the breakdown of negotiations between the NCB and the NUM on 31st October 1984 the numbers of former striking miners returning to work has steadily increased. Denied a ballot, and despite widespread intimidation, many miners are voting with their feet and returning to work. This demonstrates their clear dissatisfaction with Mr Scargill's intransigence during over a hundred hours of negotiations in which, as he himself has brazenly admitted, he has not budged an inch since the start of the dispute. Negotiations finally broke down on 31st October 1984. Since then over 14,000 strikers have returned to work.

The situation for pits and men returning is given by area in the table below:

	Normal working	Some coal	Men working no coal	Pits on strike	Men returning between 5.11.84 - 23.11.84 incl.	New faces at dayshift 26.11.84*
Scotland		2	8	2	1317	280
N. East			13	2	2613	278
N. Yorks			10	2	561	27
Doncaster			8	2	173	4
Barnsley			11	5	425	11
S. Yorks			13	2	1428	92
N. Derby		6	3		3394	137
N. Notts.	14				325	5
S. Notts.	11				73	2
S. Mids.	11	1	3		384	10
Western	9	6	2		2034	70
S. Wales			4	24	147	5

* excludes the afternoon shift.

2. Mr Scargill's desperate action

(i) Escalation of violence. It is now clear that a fair settlement has been reached on all the outstanding industrial issues and is supported by NACODS, BACM and a third of the mining workforce. Mr Scargill has openly admitted his political and revolutionary objectives in the handling of previous disputes. For example of the 1972 dispute, Mr Scargill said:

'We wished to paralyse the nation's economy. It's as simple as that. We were fighting a class war and you don't fight a war with sticks and bladders. You fight a war with the weapons that are going to win it' (Observer, 7th September 1975).

As control of the situation slips away from him, Mr Scargill has permitted the violence to escalate and sought help from friends in Libya and the Soviet Union. Far from condemning the violence and intimidation at present taking place in pit villages and collieries, Mr Scargill denies that striking miners have caused any violence. As early as May Mr Scargill said:

'I do not accept there has been violence against anybody by people who are on strike. I certainly know that there has been violence by the police upon our people, I certainly know that the intimidation has come from the police' (Daily Express, 22nd May 1984).

Mr Scargill's initial reaction to the report of the savage attack on Mr Michael Fletcher, a working miner at Fryston colliery on 23rd November was to say:

'Without any evidence offered to suggest that in any way the Miners' Union was involved, it would be inappropriate for me to make any comment' (Times, 24th November).

However, after the house of Mr Stuart Spencer, a Yorkshire miner, was destroyed in an arson attack he prepared to say that the NUM would not support attacks on people's houses.

Since the strike began there have been over 80,000 arrests (of whom 500 were non-miners) over 1,800 convictions and 80 custodial sentences.

(ii) The NUM's Libyan connection. The disclosure of a meeting between Colonel Gadafy, the Libyan leader, and Mr Roger Windsor of the NUM, acting at Mr Scargill's behest, demonstrates the lengths to which Mr Scargill is prepared to go to prolong the strike and avoid genuine negotiations. Mr Scargill has made it clear that he will accept money or other assistance from anyone. In an interview on BBC's 'World this Weekend' on 28th October 1984, Mr Scargill justified his contacts with Libya. He said:

'As far as we are concerned we would welcome assistance from trade unionists anywhere'.

He said that Mr Windsor (an NUM official) had gone to Libya to 'explain the position of the British miners to the trade unionists in Libya' at their request. But Mr Scargill was clearly unaware that when Colonel Gadafy seized power in a coup in 1969, one of his first acts was to dissolve all the unions. Furthermore, Colonel Gadafy banned all strikes and sit-down protests, even amongst students, after a week long dock strike in Tripoli in March 1972. The NUM's contacts with a Government which is heavily implicated in many terrorist campaigns around the world and in the murder of WPC Fletcher in London was roundly condemned. Mr Kinnock said that to accept assistance from Libya would be 'an insult to everything that the British labour movement stands for'. Mr Willis, General Secretary of the TUC, also condemned the meeting.

(iii) Mr Scargill and the Soviet Union

Mr Scargill has also sought assistance from the Soviet Union, and is well placed to do so, coming as it does after his several visits to the country, whilst taking part in the usual fraternal external exchanges between the NUM and Soviet miners' union. Mr Scargill's amicable relations with unions in Russia contrasts with his attitude to the Polish free trade union, Solidarity. Of them, he said:

'I am opposed to Solidarity because I believe it is an anti-socialist organisation who desires the overthrow of a socialist state' (Times, 8th September 1983).

3. Mr Kinnock's Position

Mr Kinnock is said to have described Mr Scargill as the Labour Party's 'nearest equivalent to a First World War General' (Morning Star, 10th September 1984). Unlike Mr Willis, General Secretary of the TUC, Mr Kinnock has not yet found time to speak to a miners' rally, although he intends to do so on Friday, 30th November at Stoke on Trent. Mr Kinnock has condemned all violence but still supports the aims of the strike. On 14th July at an NUM rally he declared 'there is no alternative but to fight'. However, Mr Kinnock has been criticised by left-wing MPs and other sections of the Party for appearing to distance himself from the miners' cause. This has now culminated in a challenge from

Mr Scargill to clarify his position when he said:

'No doubt on the occasion of the meeting on Friday night in Stoke the leader of the Labour Party will make clear what he wants to say and where he stands on every single question affecting the miners' strike' (Times, 26th November 1984).

He continued:

'As far as the miners' union is concerned, we would expect that both the Labour Party and the TUC would abide by the near-unanimous decisions of both conferences to give total support to the miners' union in this most historic fight against the Coal Board's policies' (Daily Telegraph, 26th November 1984).

E. The Package on offer to the Miners

The package on offer is the best ever offered to the industry:

- (i) The NCB has guaranteed that there will be no involuntary redundancies - there is a job for every miner who wishes to remain in the industry. Terms for those men who choose to leave the industry are probably the most generous available to any industrial group. The NCB had received more than 20,000 enquiries from men interested in taking up the voluntary redundancy payments.
- (ii) Wages will be increased, back-dated until last November by 5.2 per cent, a greater increase than those already accepted by many groups of workers and which will retain the large pay differential between miners and other industrial workers.
- (iii) There will be a continuation of the high capital investment programme in new machinery, new collieries and new coal faces. This will enable the industry to produce cheap coal and therefore expand its markets. Last year £702 million was invested. A larger sum was envisaged this year, but the strike has slowed or halted work on some of the NCB's most important projects, such as Selby and this year investment may drop below £500 million.
- (iv) The NCB have created a new enterprise company to provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures.
- (v) In negotiations with NACODS an amendment was agreed to the colliery review procedure whereby an Independent Review Body can, if asked to do so, give its views on a closure. The NCB made an undertaking to give full weight to the advice received from the Independent Review Body. The Board also undertook to keep open the five pits named for closure and to consider them in common with all other pits under the modified colliery review procedure.

AGT/AD/RDO
26th November 1984

APPENDIX 1

Redundant Mineworkers Payments Scheme

Year	No of Beneficiaries Qualifying in Period	Weekly Payments £m	Lump Sums £m	Total £m
1968/69	20,600	3.184		3.184
1969/70	4,200	8.438		8.438
1970/71	4,900	10.883		10.883
1971/72	3,700	8.144		8.144
1972/73	7,000	6.452		6.452
1973/74	18,500	8.568	2.844	11.412
1974/75	5,200	11.001	1.254	12.255
1975/76	6,700	12.821	0.437	13.258
1976/77	5,400	15.711	0.390	16.101
1977/78	4,900	16.843	0.307	17.150
1978/79	3,500	17.161	0.463	17.624
1979/80	1,700	15.102	0.317	15.419
1980/81	3,200	14.090	1.179	15.269
1981/82	10,500	22.728	25.186	47.914
1982/83	8,500	49.957	30.074	80.031
1983/84	20,400	91.206	98.441	189.647

Appendix II

Deductions from Supplementary Benefit to strikers

The Secretary of State for Health and Social Security has estimated that the effect of the increase in benefits together with the higher deduction will increase cash payments to 30,000 striking miners and their families, have no effect on another 6,000 and will only reduce payments to around 200 by up 55 pence per week. These figures show that there is no foundation in the allegation that the increased deduction was designed to bring more pressure to bear on striking miners. Since the beginning of the strike over £22 million has been paid to the families of striking miners. Only about a quarter of striking miners are eligible for supplementary benefit, either because of spouses' earnings or because of savings.

CONFIDENTIAL



ECLABS

bc. Sir PC.

10 DOWNING STREET

From the Private Secretary

26 November 1984

SUPREME SOVIET VISIT

Thank you for your letter of 23 November about Strelchenko's inclusion in the Supreme Soviet delegation for the visit to the UK, and the need for him to avoid participation in any public manifestation of support for the NUM.

The Prime Minister has noted the action taken to warn the Soviet authorities. She has commented, in relation to the argument that Strelchenko should not do anything which could be interpreted as interfering in our internal affairs, that we need to handle this carefully. We quite often involve ourselves in the Soviet Union's affairs by seeking clemency or exit visas for Soviet citizens. We should not say anything to them which will make it more difficult for us to go on doing so. In practice I do not think that situation has arisen.

I am sending a copy of this letter to Michael Reidy (Department of Energy), James Alty (Department of Trade and Industry) and to Richard Hatfield (Cabinet Office).

(C D Powell)

C R Budd Esq
Foreign and Commonwealth Office

CONFIDENTIAL



8.

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

23 November 1984

Pear Andrew,

ENDURANCE

I attach the latest weekly 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 0.69mt (including non-NCB sources). Coal burn was 0.74mt and stocks fell by 0.05mt. Oil burn reached the highest level achieved since the strike began. The Board's stocks last Sunday night (18 November) were 14.65mt with a further 0.83mt at Scottish power stations.

2 Total NCB deliveries last week were 0.94mt of which about 0.28mt went to customers other than power stations. 0.94mt

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:-

Future usable coal deliveries

System Endurance

	<u>90% Oil burn</u>	<u>100% Oil burn</u>
0.30mt/week	late Feb	early March
0.35	early March	mid March
0.40	early March	end March
0.45	mid March	late April
0.50	-	Autumn 1985

Department of Energy

21 November 1984

2

SECRET AND PERSONAL

Daily Coal Report - Friday 23 November 1984

	<u>Number</u>
(i) Working normally	45
(ii) Turning some coal	14
(iii) Some men present	74
(iv) On strike/picketed out	41

By 5.00 pm a further 941 striking miners had returned (compared to 383 last Friday). This brings the total for the week to 5,923 and the total since 5 November to 13,143. Of the 222,000 in the industry, some 98,000 (including NUM, NACODS, BACM etc) are not on strike.

In Scotland a further 65 men reported on the morning shift. Attendance at Bilston Glen rose to 804.

In the North East a further 276 reported, bringing a total morning shift attendance of 2,618 (1,700 more than last week). Attendance at Ellington rose to 507, Whittle 441, Wearmouth 286, Vane Tempest 165.

In Yorkshire a further 207 men reported bringing a total morning shift attendance of 2,245 (up 970 on last week). Attendance at Manton rose to 411.

In North Derbyshire the 24 hour attendance total of 4,282 was 836 up on last Friday. The Western Area figure of 10,946 was up 531.

Coal Movements

187,000 tonnes were moved yesterday.

29 coal trains ran.

SECRET AND PERSONAL

SECRET AND PERSONAL

Law and Order

By far the worst incident of the day was at Castleford (Yorkshire) where a gang of masked men broke into the home of a working miner (Michael Fletcher) and savagely beat him with baseball bats and other weapons. He was left with a broken shoulder, dislocated elbow, severe bruising and suspected broken ribs. By late afternoon the NUM had issued no comment.

12 people were arrested early this morning after clashes outside Askern pit, near Doncaster; though elsewhere in Yorkshire police reported a generally quieter morning.

Four policemen were hurt and 17 men arrested after picket line violence in South Wales.

No Compulsory Redundancies

The Board have strenuously denied reports that they have gone back on their guarantee of no compulsory redundancies in the industry. A copy of their denial is attached.

Pay

The Board announced this afternoon that they intend to pay working miners and those who return to work up to and including Friday 30 November an additional wages payment on account, pending the final settlement of the 1983/84 wage claim. The payments will be subject to a maximum of £175 and will depend on the number of shifts a man has worked since 1 November 1983. In other words the main beneficiaries will be the working miners of Nottinghamshire and those others who returned to work at an earlier stage.

SECRET AND PERSONAL

SECRET AND PERSONAL

The Board will be taking advertisements in many Sunday newspapers drawing attention to the total sums on offer to those miners who now return to work.

Line to Take

Today's savage attack on a working miner in Castleford shows mining communities who their real enemies are. The Coal Board has made a generous offer to those who now wish to return to work. They can earn up to £1,200 before Christmas. No wonder more than 13,000 have returned in the last two weeks alone.

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

TEXT OF COAL BOARD STATEMENT

There is no change in the National Coal Board's policy that there will be no compulsory redundancies of mineworkers when collieries close or are re-organised in the normal way under the industry's review procedure.

The Board will continue to operate the jointly agreed review procedure and their guarantee of no compulsory redundancy in these circumstances is absolute.

Of course, in exceptional circumstances beyond the Board's control, where the industry's assets are destroyed or become unworkable because of strike action or vandalism, it may not be possible to apply this guarantee.



SECRET

6.

P.01441

PRIME MINISTER

MISC 101(84)49th Meeting: Coal

You will wish to invite reports from:

- i. the Secretary of State for Energy on
 - the number of pits and miners working;
(the Friday figure - 877 by lunchtime - appears to have been particularly good for that day of the week but it will be important to see whether the expiry of the qualification for bonus - except in Scotland and South Wales - is reflected in a low figure for new starters on Monday)
 - coal movements;
 - new financial incentives;
(what is the timing of the announcement about the lump sum payment related to the November 1983 pay offer? what lies behind the Press reports of some special bonus to induce NACODS members in Yorkshire to resume work?)
 - the claim by the NACODS President, Mr Sampey, that Mr MacGregor has gone back on the NCB's pledge of no compulsory redundancies;
- ii. the Home Secretary on
 - law and order;
- iii. the Secretary of State for Employment on
 - the developments (if any) in the attitude of the TUC and other trade unions.



SECRET

Independent colliery review body

2. Last Tuesday (20 November) the Secretary of State for Energy undertook to explore the NCB's thinking about the composition and methods of working of the independent colliery review body referred to in the agreement with NACODS. He may not have had the opportunity to do this yet but a gentle reminder would not come amiss.

Next meeting

3. The next opportunity for a discussion will be under the Industrial Affairs item at Cabinet on 29 November.

PLG
P L GREGSON

23 November 1984

PRIME MINISTER

COAL DISPUTE

You will see from the attached FT Report (flag A) that Mr MacGregor has stirred up anxieties about the no compulsory redundancy undertaking. While not defending the manner in which this occurred, Peter Warry has argued that the Government/NCB should indeed be backing away from the undertakings on investment, employment and redundancy terms as a way of increasing pressure on the miners. (flag B).

At Mr Walker's insistence, the Board have put out the attached press notice (flag C) which restates the no compulsory redundancy undertaking, while leaving itself a slight let out where pits are damaged during the course of the strike. As in the NACODS affairs, careless actions by the Board have been recovered at the expense of digging itself in deeper.

It is difficult, in my view, while the process of dividing the TUC and the Labour Party from the NUM is going on, for the Government to play hard on the fears that a long strike might make it difficult to meet the undertakings given. Nevertheless, there may come a time when this is the right thing to do.

Andy Clark
J.P.

Andrew Turnbull

23 November 1984

MacGregor hints at forced job cuts

BY JOHN LLOYD IN LONDON AND PAUL BETTS IN PARIS

MR IAN MACGREGOR, chairman of the National Coal Board, has told the mining management unions that he is no longer prepared to guarantee that redundancies in the pits will be voluntary — a pledge made by the NCB and Government ministers, including the Prime Minister, since the strike began.

His remarks are largely a reflection of the continued deterioration of coal faces in many pits, but they also spring from a calculation that a tough approach could speed up the drift back to work.

In comments made separately in Paris last night, after delivering a speech to a management group, Mr MacGregor said he would consider the strike over if 15,000 more miners returned to work. Both sets of comments represent a much harder line by Mr MacGregor as he anticipates the strike crumbling through a continued return to work.

The NCB claimed that 856 "new faces" turned up at pits yesterday, bringing the total for the week to 4,982. North-east

England accounted for 327, an indication that this once-solid area is showing a relatively rapid drift back, though 90 per cent of its miners are still on strike.

In South Wales, where the strike remains most solid—only 110 miners out of nearly 20,000 have returned—a rally of miners from two of the Gwent pits delivered a clear warning to area leaders that they want to go back to work.

Miners from North and South Celynen told Mr Emlyn Williams, area president, that they wanted an area delegate meeting called within the next two weeks to discuss an orderly return to work.

Mr MacGregor's statement that the pledge of no compulsory redundancies could no longer be guaranteed was given at a meeting of the Coal Industry National Consultative Council earlier this week, when board members met leaders of the pit deputies union Nacods and the British Association of Colliery Management.

Mr Ken Sampey, the Nacods

president, reminded the board that Mr James Cowan, deputy chairman, said on March 6—when the board's plan to close 4m tonnes of capacity was announced—that he could not guarantee all redundancies would be voluntary.

Mr Sampey asked Mr MacGregor if, in the light of subsequent pledges that they would be voluntary, he agreed the position had changed. Mr MacGregor replied that the position had not changed; he could not give the guarantee.

Mr Cowan immediately cut in to give a gloss to the chairman's answer, to the effect that Mr MacGregor had meant that if pits continued to deteriorate at their present rate, and the strike were prolonged, then the board might be unable to honour the pledge.

The board's formal position remains that redundancies will be voluntary. It said last night that it had lost 21 faces, 21 were in a serious condition and 66 were causing concern.

More than 20,000 mine-workers have indicated varying

degrees of interest in leaving the industry — though redundancy terms, the most generous in UK industry for manual workers, are not available while the strike lasts.

In Paris last night, Mr MacGregor — speaking after addressing the Harvard Business School Old Boys' Club — said he expected between 20,000 or 30,000 miners to be made redundant, leaving about 150,000 from the workforce of about 180,000.

With 60,000 to 63,000 miners claimed by the NCB to be not on strike, 15,000 miners returning would mean over half of the 150,000 had — in the chairman's view — decided to oppose the strike.

Today is the last day for miners in most areas to qualify for a bonus and benefits package of more than £600 before Christmas. Different holiday arrangements in the Scottish area mean that miners there will still qualify if they return next Monday.

Bonus planned, Page 16
Men and Matters, Page 22



Foreign and Commonwealth Office

London SW1A 2AH

Pine Minister

23 November 1984

*CDP
23.11**Dear Charles,*Supreme Soviet Visit

In your letter of 20 November you recorded the Prime Minister's agreement that an approach should be made to the Soviet Embassy to point out the likely press interest in Strelchenko's presence in the Supreme Soviet delegation and the need for him to avoid taking part in any public manifestation of support for the National Union of Mineworkers while in the UK.

On a "personal and informal" basis, the Head of the Soviet Department spoke on these lines to the Soviet Minister/Counsellor on 23 November. Posilyagin's response was reassuring. The Soviet side had no intention of interfering in British domestic politics. They had deliberately advised Mr Gorbachev to make visits to places in the UK which were not in or near mining communities. The programme was very full, and there would be no time for activities "falling outside the programme".

I think that following the press publicity last weekend for Mr Scargill's visit to the Soviet Embassy, Mr Lamont's intervention with the Soviet Ambassador on 21 November and the Head of Soviet Department's word with Posilyagin on 23 November, the domestic political sensitivity of the miners' strike and any connection with the Soviet Union must now be perfectly clear to the Russians.

There will no doubt be press interest in Strelchenko's presence in the delegation, when the list is more widely known. If asked, we would propose to say that he had been invited on a Parliamentary visit and as far as events organised by the Government are concerned, would be received in his Parliamentary capacity. We would expect, however, that he would be instructed to watch his step during the Delegation's visit and not to do anything which could be interpreted as interfering "in our internal affairs".

*- careful - we are always seeking**clemency & visit / I am
wiser for them for Soviet citizens.*

CONFIDENTIAL



I am sending copies of this letter to Michael Reidy
(Department of Energy), James Alty (Mr Lamont's office) and
Richard Hatfield (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

Coel: NAT. 1ms. Pt 14.

23 NOV 1984

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COAL

Present Situation

45 Pits are working normally. 96,000 NCB employees and 65,000 members of the NUM are not on strike and more than 11,000 have returned in the last 2 weeks. Coal stocks remain strong.

NCB Manipulating Figures

I recall that the President of the NUM told his members on February 6 - 42 weeks ago - that there were only 8 weeks stocks of coal at power stations. If the hon Members opposite believe the leadership of the NUM after that they will believe anything!

NCB Figures Inconsistent with Previous Claims

I have made it clear in the House several times that since the beginning of the strike about 70,000 people have been working in the coal fields, of whom about 50,000 are members of the NUM. These figures are totally consistent with the ones to which I have referred today.

Church Leaders call for Further Negotiations

Throughout over 100 hours of negotiations the NUM have boasted that they have not budged an inch from their March 6th position. The NCB had made a generous offer and they are absolutely right to insist that the NUM should abandon their impossible demands before there can be any further negotiations:

Mr Hattersley's Position

I welcome the Rt Hon Members' conversion to the NUM leadership consulting its members. I recall that in April he urged Nottinghamshire miners to go on strike in direct contravention of their democratic vote. Perhaps he will tell the House now, does he think that the strike can end on the basis of the settlement reached between the NCB and NACODS?

Withdrawal of Hit List etc

The Rt Hon Gentleman just doesn't want to understand. All these matters, including the re-examination of the March 6th proposals, the position of the 5 pits and the Colliery Review Procedure, were all dealt with satisfactorily in the NCB agreement with NACODS. That agreement has been accepted by 2 of the 3 unions and a third of the membership of the NUM. Whose side is the Rt Hon Gentleman on?

30,000 Job Losses

The Association of British Mining Equipment Companies has indicated that there have already been a considerable number of redundancies amongst their members and sub-contractors as a result of the strike and if it continues, there could be as many as 30,000 jobs at risk.

22 November 1984

MR TURNBULL22 November 1984COAL DISPUTE

There are not enough men returning to work this week to sustain the momentum once the Christmas offer has expired. The new backpay offer will help but only marginally: money is only one element in the return to work decision. There is a real danger that we are already losing the initiative.

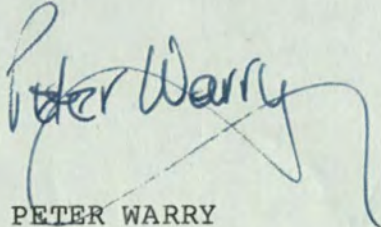
If the momentum is lost, then we could be locked into a new status quo for many months, albeit at a slightly higher level of working, until some conjunction of events creates sufficient stimulus for a new wave of returns. Once it is evident that the momentum has collapsed, it will be much harder to up the stakes by for example withdrawing capital investment plans. It will also have less effect.

We would suggest raising the stakes now. Eaton could question whether, if the strike continues, the NCB can justify its capital expenditure plans. He must also make banner headlines with the attached cutting from today's Daily Telegraph. This will give the NCB backpay offer a little more impetus and perhaps regain our initiative. It will be risky, but to do nothing could be more risky.

**FIRE THREATENS
500 PIT JOBS**

A coal face at the strike-bound Ackton Hall colliery, Featherstone, near Pontefract, has been sealed off because of a fire and 500 jobs are threatened, the Coal Board said yesterday.

"This is the main production face and there is no way we can find work for all 1,200 men," a spokesman said.


PETER WARRY



Next MISC 101

3

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

21 November 1984

Dear Andrew,

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

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

*Yours
John*

J S NEILSON
Private Secretary

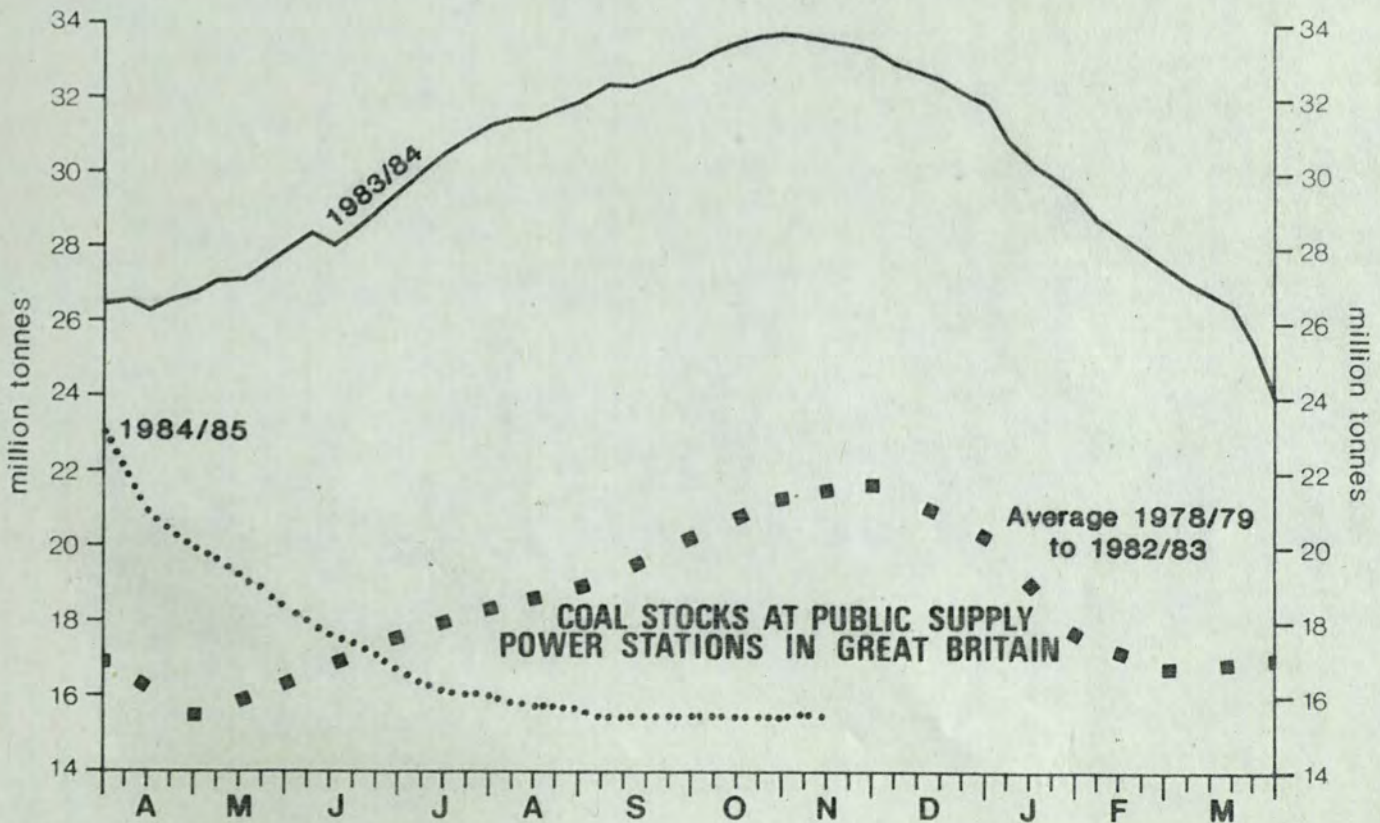
Copy No *1 of 14*
16 November 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

CS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928
Week ending 12.11.83: 20.10.84 27.10.84 3.11.84 10.11.84

COAL	PRODUCTION (m. tonnes)	deep mines+	1.92:	0.56	0.55	0.56	0.57
		opencast+	0.31:	0.30	0.31	0.28	0.25
	TOTAL		2.23:	0.86	0.86	0.85	0.82
PRODUCTIVITY(2)	(tonnes/manshift)	'overall' o.m.s	2.51:	2.39	2.43	..	..
		'production' o.m.s	10.29:	11.45	11.57	..	..
UNDISTRIBUTED STOCK	(m. tonnes)	TOTAL	24.60:	21.81	21.63	21.51	21.37
COAL STOCKS	(m. tonnes)		33.46:	15.52	15.48	15.60	15.52
	COAL CONSUMPTION	"	1.69:	0.73	0.73	0.62	0.79
	COAL RECEIPTS	"	1.61:	0.73	0.69	0.73	0.71
OIL STOCKS(3)	"		1.40:	1.17	1.15	1.19	1.33
	OIL CONSUMPTION(3)	"	0.05:	0.55	0.56	0.59	0.57
	OIL RECEIPTS(3)	"	0.03:	0.44	0.45	0.57	0.65
ELECTRICITY SUPPLIED (4) (Gwh)			:				
	Nuclear	"	765:	783	791	851	924
	Other Steam	"	4,012:	3,715	3,822	3,714	3,953
	TOTAL	"	4,778:	4,498	4,612	4,565	4,877
	TOTAL - temperature corrected	"	4,947:	4,552	4,585	4,806	..

(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.

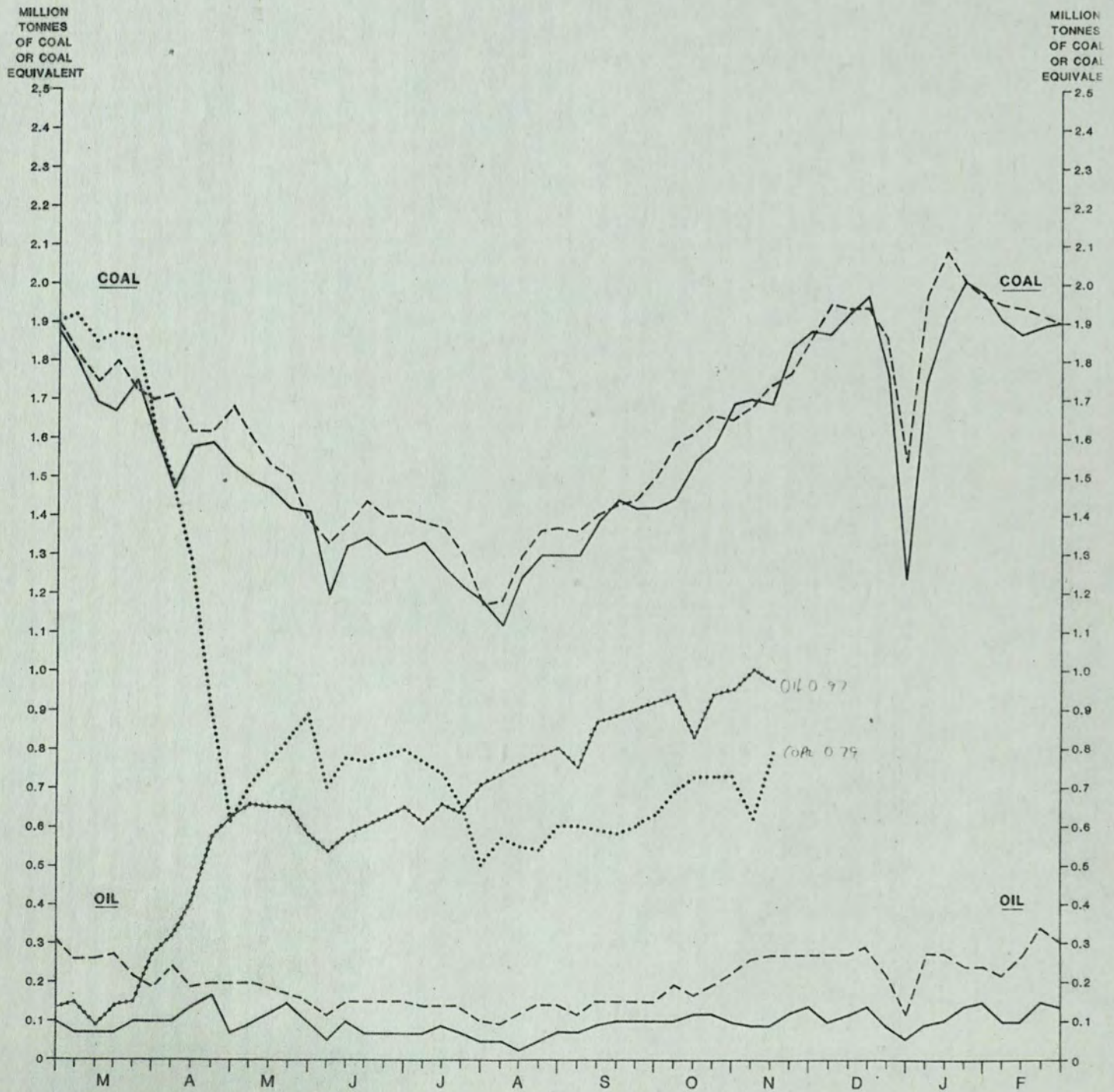


SECRET

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

Prime Minister (2)

SECRET AND PERSONAL

18/22/11

5

Daily Coal Report - Thursday 22 November 1984

	<u>Number</u>
(i) Working normally	45
(ii) Turning some coal	14
(iii) Some men present	73
(iv) On strike/picketed out	42

ms

By 5.00 pm a further 856 striking miners had returned (compared to 722 last Thursday). This brings the weekly total to 4,926 and the total since 5 November to 12,141.

In Scotland a further 70 men reported on the morning shift. The best news came from Bilston Glen where 785 men reported. According to the Board, more than 50 per cent of the total NUM membership at this pit is now back at work.

In England there were increased attendances in all areas. 327 new faces reported in the North East (Ellington 474, Whittle 413). There were a further 169 in Yorkshire, and 158 in North Derbyshire.

Coal Movements

192,000 tonnes were moved yesterday.

34 coal trains ran.

Law and Order

There were the usual reports of skirmishing, barricades being built, etc in the North East, Yorkshire and Wales, but fortunately no reports of major incidents.

Between 13 March and 16 November 1,162 police have been injured in the dispute.

High Court

The High Court has rejected an appeal by four striking Yorkshire miners against conviction for obstruction following their arrest at a road block on the M1. Mr Justice Skinner said the police were justified in thinking that a breach of the peace was imminent.

Supplementary Benefit Changes

An aide memoire produced by DHSS is attached.

Line to Take

More than 12,000 miners have returned to work in the last two weeks alone. There could be no clearer evidence that ordinary miners recognise there is no industrial justification for this dispute, and no clearer rejection of Mr Scargil's political campaign of violence and intimidation.

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

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

STRIKERS' DEDUCTION FROM BENEFIT

Main rules of entitlement

People involved in trade disputes are not entitled to supplementary benefit for their own requirements. They are entitled to benefit for dependants (eg wife at non-householder rate + children). Housing costs are paid on top if they receive sup ben.

Since 1980 a "specified sum" is deducted from any supplementary benefit payable. From 26 November this sum will be £16.

Why deduct £16?

It is not reasonable for the taxpayer to meet the full costs of looking after the dependants of someone on strike. If a person is involved in a strike it is fair to assume he has made some provision for their needs.

Does the deduction assume the strike is official or that strike pay is paid?

No. The deduction applies to those involved in trade disputes. (Whether strike pay is paid or not is a matter between the striker and his union.)

Why uprate the specified sum?

Section 6(2) of the Social Security Act 1980 requires that the specified sum is increased at the time of the general benefit uprating. It has therefore been uprated every year as follows:

1980	£12
1981	£13
1982	£14.50
1983	£15
1984	£16.

How is the uprating calculated?

Section 6(2) of the Social Security (No 2) Act lays down the uprating formula. Broadly, the specified sum is uprated in line with the RPI (5.1% this year) and the result is rounded to the nearest 50p.

How many strikers gain/lose?

About 85% of striking miners receiving supplementary benefit will have a net increase in benefit at 26 November, because the higher sup ben rates are more than the increased deduction. Almost all the rest will have no change, because the extra £1 deduction equals their benefit increase. A very small number (those with no wife but with one child (whatever age), or 2 children (but only if under 11)) will lose up to 55p. Precise numbers are not available, as the return to work is changing the picture daily and statistics on those without dependant wives are not kept. But estimates suggest around 30,000 gainers, 6,000 with no change and possibly 100 - 200 losers.

Illustrative changes

	Scale rate increase 26.11.84	Net effect after extra £1 deduction
Wife only	£1	neutral
Wife + 1 child under 11	£1.45	+ 45p
Wife + 2 children under 11	£1.90	+ 90p
Child under 11	45p	- 55p
2 children under 11	90p	- 10p
2 children, 1 under 11, 1 between 11 and 15	£1.10	+ 10p

carb



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5186
GTN 215)
(Switchboard) 215 7877

From the Minister of State for Industry

Norman Lamont MP

~~DAT~~
2) Prime Minister
CDP
21/11

CONFIDENTIAL

Charles Powell Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON SW1

21 November 1984

Dear Charles

SOVIET ASSISTANCE TO THE NUM

Colin Budd wrote to you on 20 November recording the Foreign Secretary's view that Mr Lamont's lunch yesterday with the Soviet Ambassador was the most natural occasion on which to make to the Russians the points at paragraph 3(a) of Colin's letter.

As you know, the Prime Minister agreed that Mr Lamont should make these points with some force. Accordingly Mr Lamont said that the Government were very concerned about press reports which suggested that cash contributions approaching £1 million had been received by the NUM from Soviet miners and asked the Ambassador whether this was true and what was the involvement of the Soviet Government. The Ambassador said that "the Russians recognised that the UK was a democratic country; the UK must recognise that the USSR was a democratic country". There was no reason why Soviet miners as individuals should not raise money for British miners if they wished to do so. This had nothing to do with the Soviet Government.

Mr Lamont then pointed out that the Soviet miners' access to convertible roubles and their ability to take money out of the USSR strongly suggested Soviet Government involvement. He asked whether all Soviet citizens had these rights. The Ambassador maintained that citizens could transfer money for some purposes, and emphasised the importance and independence of Soviet trade unions. Refusal to allow their rights to be exercised would have constituted unwarranted interference by the Soviet Government in the Soviet miners' union's own affairs. But he stressed that trade union independence was only exercised in appropriate spheres: it did not endanger the fulfilment of contracts entered into by the Soviet Government, and all such contracts would be honoured.

WEDAIQ



Mr Lamont stressed that the Government viewed with great concern the transfer of money from the Soviet Union to the NUM. He said that the Soviet Union must understand that the UK Government considered this a very serious matter. He referred to the forthcoming visit of Mr Gorbachev to the UK and said he hoped that the Soviet Union would not risk souring the atmosphere for this visit. The Ambassador noted his comments.

All in all, the discussion was somewhat unsatisfactory. The Ambassador did not specifically confirm the press reports of Soviet cash for the NUM, but he made no attempt to deny their veracity. No question on the role of the Soviet Government was answered directly: the Ambassador simply maintained that Soviet trade unions were independent and democratic, and that the Soviet Government was not answerable for their exercise of their rights.

I am copying this letter to Colin Budd (FCO), Michael Reidy (Department of Energy), David Peretz (Treasury), and the Attorney-General's Chambers, and to Richard Hatfield (Cabinet Office).

Yours sincerely
Edmund Hosker

E N R HOSKER
Private Secretary

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1981





Ref. A084/3095

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;

how the return to work can be sustained;

Mr Scargill's meeting with church leaders.

(ii) The Home Secretary on law and order.

(iii) The Secretary of State for Employment on attitudes of the TUC and other trade unions.

Next Meeting

2. The next meeting of MISC 101 has been arranged for Monday 26 November at 11.00 am.

RA

ROBERT ARMSTRONG

21 November 1984

SECRET AND PERSONAL

Daily Coal Report - Wednesday 21 November 1984

	<u>Number</u>	<u>plus on holiday</u>
(i) Working normally	45	-
(ii) Turning some coal	14	-
(iii) Some men present	69	-
(iv) On strike/picketed out	46	-

As at 5.00 pm a further 824 striking miners had returned (compared to 971 last Wednesday). This brings the weekly total to 4,070 and the total since 5 November to 11,285.

In Scotland there were 130 new faces on the morning shift. 755 men reported at Bilston Glen, 160 at Monkton Hall, 98 at Killoch, 63 at Polkemmet. There were men present at 5 other Scottish pits.

In the North East of England there were 207 new faces bringing the total for the week to about 1100. There are now almost 2,000 men working in the area out of a total complement of around 20,000. Attendance again strengthened at the main pits: at Ellington there were 420, Whittle 373, Wearmouth 226, Vane Tempest 117. Men were in at a further 9 pits.

In Yorkshire there were over 100 new faces and a total morning shift of 1894 (down slightly because some men at Shireoaks had been transferred to the afternoon shift for the first time).

In North Derby there were 169 new faces. Attendance at Shirebrook has now risen to 814, Markham 505, Warsop 453, Bolsover 323.

Attendances strengthened marginally in other areas. Attendances in the main working areas (especially Nottingham) were good.

Coal Movements

187,000 tonnes were moved yesterday.

31 coal trains ran.

Law and Order

There were organised and concerted attacks on police and working miners in many parts of Yorkshire and the North East. In one incident a section of railway line was dropped onto a police landrover.

At Blackhall, Co Durham, a petrol bomb exploded in front of a bus carrying working miners. There were no injuries.

Between March 13 and November 16 1,162 have been injured in the dispute.

High Court

It was confirmed today that the NUM have reshuffled the trustees responsible for union funds, substituting Scargill and McGahey for two of the existing three members. This means that the legal action being taken by 16 working miners against the NUM's trustees will now proceed against Scargill, McGahey and Heathfield.

The Ellington NUM official, Jack Cunningham, who was suspended from his union post after returning to work on Monday is reportedly to take legal action against the union.

Church Leaders meet the NUM

The text of the statement issued by the Church Leaders following today's meeting is attached.

Line to Take

Miners are continuing to vote with their feet. More than 11,000 have now returned to join those of their colleagues who balloted to stay at work. Why is Mr Scargill so afraid to test the grass roots feelings of all miners in a national ballot?

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

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

STATEMENT READ OUT BY THE ARCHBISHOP OF YORK (21 Nov '84)

Acting in response to a request from the National Union of Mineworkers, a small delegation from the NUM met at Bishop's House, which is my home as Archbishop of York.

We met this morning at about 10.30 am and the meeting lasted about 2 hours. The meeting was convened by myself in consultation with the Archbishop of Canterbury and we invited other church leaders.

Those present at the meeting were myself, the Bishop of Lincoln, the Rt Rev Brian Phipps, Archbishop Tony (?) Warlock, Roman Catholic Archbishop of Liverpool, and the Rev Brian Thoroughgood, General Secretary of the United Reform Church.

The NUM were represented by their president, Arthur Scargill, their secretary, Peter Heathfield, and the president's personal assistant and secretary.

Our conversation was off the record. We talked in general terms about the dispute and its sad and damaging effects on the community as a whole. Our main concern as churchmen must obviously be a pastoral one as we contemplate the deep divisions and hardship in our society.

Our intention in arranging the meeting was to listen to the representatives of the NUM in order to understand their case.

Let me make it quite clear that we were not negotiating. We have been asked to listen; that is what we did and our reaction comes from having heard only one side of the dispute.

We agreed beforehand that we were free to talk about the general gist of our discussions. So what I am able to say now is necessarily phrased in very general terms.

As we heard about it the dispute centres about the extent to which the document Plan for Coal provides a satisfactory framework for present policies in the industry. We were told at great length about the two phrases on which current interpretation of that document were made.

One of these phrases is acceptable to the NCB but not the NUM, and ^{the} other is acceptable to the NUM but not the NCB.

The verbal difference is very small, but there is a profound difference of view which lies behind their use.

We were also told about a 3rd possible phrase which had been offered to the two parties, and which we understand has not yet been discussed directly between them. It seemed to us that it might offer a way forward and eventually lead on to a further review of the Plan for Coal

But there are grave difficulties and ^{we} were disturbed by the apparent reluctance to discuss the principle on which the Plan for Coal should be implemented.

We were also concerned to explore the NUM attitude to the conduct of the dispute, and we understand that the union does not accept the validity of the TUC guides (sic) on the conduct of disputes.

We believe that to abide by these guidelines, with an equivalent response by the police, would be the best way of reducing violence.

Above all, we want to express again our pastoral concern and the need for all parties to keep in touch with one another so that when the dispute is over the process of healing can begin.

N.C.

CONFIDENTIAL



file to

10 DOWNING STREET

From the Private Secretary

21 November 1984

COAL FIRING SCHEME

The Prime Minister has seen your letter to me of 13 November and the Chief Secretary's minute of 19 November. She agrees that it makes sense to defer the review of the future of the Scheme for about six months when it should be possible to see more clearly the supply and demand balance after the strike. She believes, however, that in the context of the Government's case on the mining dispute, it would be better to leave the Scheme open, accepting such applications as there are up to the previously agreed commitment ceiling.

I am copying this letter to Richard Broadbent (Chief Secretary's Office, H.M. Treasury) and Callum McCarthy (Department of Trade and Industry).

ANDREW TURNBULL

Michael Reidy, Esq.,
Department of Energy.

CONFIDENTIAL

1. MR BUTLER
2. PRIME MINISTER

AFTER THE NUM STRIKE

I promised a paper on how we might manage a return to "normal" after the NUM strike and use this as an opportunity to strengthen moderate trade unionism.

Objectives

2. The Government has three objectives:

- i. to secure an end to the strike on acceptable - ie NACODS - terms which clearly shows that militancy does not pay and that an attempt to subvert our Parliamentary democracy has been beaten off;
- ii. to turn the experience to positive account by convincing trade union members and, if possible, union officials that there is no future for wreckers in our society; and
- iii. to promote and encourage a British trade union movement with a new ethos - namely one committed primarily to the creation of wealth through successful enterprises rather than to the distribution of wealth regardless of whether that wealth is created.

3. In my view, given that we can no more disinvent trade unions than we can nuclear weapons, the greatest prize to be won for Britain is a positively inclined rather than the present negative trade union movement. The implications for our economic health of such a change of approach are immense and are worth striving for.

4. Moreover, there are already signs that the trade union movement is increasingly inclined to live with and adapt to Government policies and legislation.

5. We must not write off the British trade union movement as a hopeless case, however abysmal its present leadership may be, when there are signs that the Government's policy of restoring unions to their members' influence is beginning to work.

6. It would admittedly be the ultimate paradox if Scargill, the arch-wrecker, were instrumental in bringing about a more rapid change in trade union attitudes. But Mr Scargill has created turmoil in the trades union and labour

movement and the Government should seek to turn this to the country's good.

7. The question is how this might be done and the three objectives in Para 2 realised.

Managing the Dispute

8. From now on we need to strike attitudes which serve our long term objective of a more positive trade union approach to industry.

9. First, in the interests of Parliamentary democracy, the general populace, the forces of law and order, the working and striking miner, the poor bloody infantry in a whole range of industries whose livelihood remains at the whim of militants and the moderate trade union leader, all efforts to secure the Government to intervene must be resisted. Nothing would more undermine the Government's industrial relations policies than now to show what would be taken for weakness. To coin a phrase, we have gone too far in the defence of democracy - and won too much ground - to capitulate now.

10. It may be objected that this is a diamond hard line. It is. But it is the only one which offers two possible glittering prizes:

i. an impotent or, more beneficially, a deposed Scargill; and

ii. the positive trade union movement ordinary trade unionists as well as Government actually want.

11. Politically, this may not always be a comfortable stance. We need therefore to strike the following attitude, and keep cultivating public opinion in this way:

- there is no justification for the coal strike and the miners have been and are still being cruelly used by their leadership
- a perfectly satisfactory settlement is available and the miners increasingly recognise it
- many crimes against democracy have been committed during this dispute, but the democratic forces in this country, and those responsible for maintaining law and order, have held the line; we owe them a debt

3.

- only the ordinary mineworker can solve the problem for it is his union and his industry; thus when the industry is back at work the victory will be his - and his alone
- the future of any industry and indeed this country lies with those who wish to work and create wealth and not with those who strike and destroy markets, business and jobs.

12. You can do much in Prime Minister's Questions to get over this point of view, but a firm, sympathetic and forward looking speech before Christmas might have considerable effect in support of the Government's objectives.

13. I do not believe anything more should be done covertly while the strike is collapsing. Almost any move, covert or overt, the Government might make would be open to mis-interpretation. This is the time for sitting on one's hands so far as intervention is concerned. It is, however, a time for action when it comes to encouraging better attitudes towards industrial relations.

14. In this context it is for consideration whether the Government should not marshal its and industry's forces for such an educative effort bringing in eg the CBI etc and heavyweight industrialists. I volunteer to draft a model speech.

After the Strike

15. The end to the strike will probably be as messy as its start. But there will come a time when it is clear that to all intents and purposes it has collapsed, even though a number of pits may well be strike-bound. It will require care in determining when that is.

16. However, when that point is reached the Government's demeanour and conduct will be crucial. The following will be required:

- no self-congratulation, crowing or gloating; instead a sadness that this unnecessary strike ever occurred; deep sympathy for the much abused individual miner; satisfaction that the forces of law and order have prevailed;
- a persistent message that the Government only did what unfortunately it had to do in the interests of a rationally based coal industry and subsequently in the interests of law and order and democracy

- some disappointment that too few in the Labour movement who profess to be democrats stood up for what they believe in
- the real and only victory goes to the ordinary member of the NUM who progressively, in the face of much violence and intimidation, rescued his union from dictatorship
- the need now to put the strike behind the country, to get the coal industry into better, more economic shape and to try to encourage constructive trade unionism which is concerned to secure real jobs and real advances in wealth for its members.

17. The last point of course begs a substantial number of questions about action to follow the end of the strike, for actions will in the end speak louder than words. The rest of this paper concentrates on this on the assumption that actions up to the effective end of the strike are confined to:

- the Prime Minister possibly chairing a meeting of Neddy (which would put a more positive gloss on the Government's approach to the unions, though beware the TUC's attempt at Neddy to involve the Government in the coal strike)
- the effective launching of NCB Enterprise Ltd and the organisation of early success
- a new drive, being planned by Lord Whitelaw, to put over the Government's employment and social policies in a more favourable light (which is a necessary preparation for any attempt to strengthen moderate trade unionism); this could include an employment White Paper being planned by Tom King
- carefully worded signals, on the lines of speaking notes outlined above, to moderate trade unionists that the Government wishes to reinforce them provided they are prepared to adopt a positive approach to industry

18. At the end of the strike you may wish to make a major speech, supplemented by radio and television interviews and meetings with Fleet Street editors, putting the strike in context and looking forward. This would be seen as national leadership.

19. But such a speech could only be firmly founded if Government was clear about the pit closure, redundancy, employment (of convicted miners), deployment and investment policy to be pursued by the NCB. Equally, the Government will need to know its wider energy investment - nuclear power - and coal stocking policies, and how the cost of the strike is to be met.

20. Nothing would appear worse to the public at the end of this strike than the Government not to know where it is going. You will need to strike a decisive as well as a sympathetic tone and that will be necessary whether you make a speech, give interviews or simply answer questions in the House.

21. But it is just as important to know how you intend to fulfil your repeated wish to "do as much as we possibly can to build on moderate, responsible, reasonable and constructive trade unionism". This has been picked up and the media, if not the TUC, will wish to know what you have in mind.

22. I believe that words and tone do count here, and why an end-of-strike speech would be important. Again, I volunteer a first draft.

23. As for how "moderate, responsible, reasonable and constructive trade unionism" might be encouraged by actions rather than words, I offer the following ideas:

- strictly private meetings by the Prime Minister with individual moderate trade unionists, taking care not to embarrass them, with the objective of asking them how moderate trade unionism might best be supported, a positive approach to industry and profit encouraged, and negative militancy defeated; I believe it would be quite wrong to appear to be running after the TUC - any meeting with the TUC, or its Committees, outside the Neddy framework, could well be counter productive and dismissed as gimmicky; in a sense your task with British trade unionism is similar to that with the Russians over disarmament: to convince them of your strength of purpose and sincerity
- carefully planned contacts by a number of other Ministers to the same end so that a general message is propagated: consistent with the Government's policies, how can we help reinforce moderation?

- involvement of prominent businessmen in this exercise - perhaps with the knowledge and support of the CBI - all designed to show that, while the Government will stand no nonsense from militants, it will help wealth creators
- much greater identification of the Prime Minister with positive aspects of employment and social policies as, for example, "Fit for Work" (which, while not attracting much publicity, will have registered); the best examples of the Community Enterprise programme; companies like National Freight, Amersham International and the Tyne repair yards where workers are feeling the benefit of share ownership; and positive achievements with pensions policy
- visits to factories or establishments where workers have distinguished themselves with productivity, adoption of new technology, creation of wealth in which they have shared
- possibly the production of Green Papers on a variety of topics which either excite the interest of moderates - eg employee participation and identification with the firm - or steer thinking in the direction the Government wishes it to go - eg wider share ownership

24. In short, this paper argues that the Prime Minister and other Ministers and supporters should privately and professionally take an interest in moderate trade unionists, consulting them on how moderates can be reinforced; and that the Prime Minister should use regional and other visits, and speeches, to encourage and promote a more positive, constructive trade union identity.

Summary

25. Bearing in mind history and prevalent attitudes, the Government will not be able to achieve much quickly to secure a predominantly positive trade union movement. But attitudes are changing and, against the background of a collapse of the coal strike, it will never have a better opportunity to promote a different trade union approach.

26. To achieve this will require:

- a. a dogged determination to sit out the strike;
- b. the steady propagation of the idea that militancy fails and moderation wins;

7.

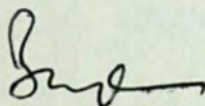
c. clarification of coal and energy policy objectives once the strike is over;

d. one or two major speeches by the Prime Minister to strike a new Government attitude and to make the trade union movement re-think its purpose;

e. the patient private cultivation of trade union moderates by Ministers and industry;

f. clear signals that the Government, by its policies as well as its words, is seeking to reinforce "moderate, responsible, reasonable and constructive trade unionism".

27. You may care to discuss.

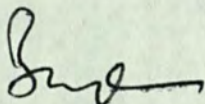


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PART 14 ends:-

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