

PREM 19/1581

PART 18

Confidential Filing

Financial Position of the
Coal Industry.
Mineworkers' Pay.

NATIONALISED
INDUSTRIES

Part 1: June 1979

Part 18: June 1985.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5.6.85		12.8.85					
6.6.85		17.8.85					
10/6/85		22.8.85					
6.6.85		27.8.85					
11.6.85		3.9.85					
12/6/85		4.9.85					
17/6/85		12.9.85					
		3.9.85					
17.6.85		3.10.85					
18.6.85		7.10.85					
20.6.85							
25.6.85		14.10.85					
26.6.85		18/10/85					
27.6.85		21.10.85					
1.7.85		25/10/85					
4.7.85		29.10.85					
11.7.85		8.11.85					
13.7.85		12.11.85					
15.7.85		15.11.85					
25/7/85		18.11.85					
26/7/85		19.11.85					
28/7/85		28.11.85					
28/7/85		29.11.85					
6.8.85							
7.8.85							

PREM 19/1581

Part ends

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: Sixth Report from the Employment Committee, Session 1984-85. The Dismissal of National Coal Board Employees: Together with the Proceedings of the Committee. Ordered to be printed 19 June 1985 – HC 416. Published by HMSO

Signed _____

J. Gray

Date _____

12/3/2014

PREM Records Team



31

Y1028

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 7388

D Norgrove Esq
Private Secretary to the Prime Minister
10 Downing Street
London

29 November 1985

cf
Please correct.

DLV

WITH DRN

Dear David

I regret that two errors have been discovered in the Second Report on Lessons of the Miners' Strike - sent to the Prime Minister under cover of Sir Robert Armstrong's minute of 25 November.

W

Would you please delete that part of paragraph 5 d i which appears on page 4 of the report and substitute the revised text attached. Would you also amend the sub-paragraph number at the top of page 3 to read iii instead of iv.

I copy this letter and attachment to the Private Secretaries of the Lord President, Secretary of State for Trade and Industry, Chancellor of the Exchequer, the Home Secretary, Secretaries of State for Energy, Defence, Scotland and Wales, the Chancellor of the Duchy of Lancaster, Secretaries of State for Transport and Employment, the Attorney General and Sir Robert Armstrong.

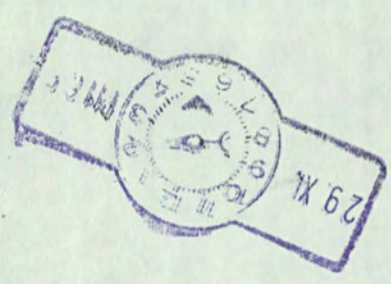
Yours sincerely
Brigadier Budd

BRIGADIER J A J BUDD

d. Conclusion

i. For the short term, the main weapon against militancy is the lack of enthusiasm among NUM members for further industrial action. Many of the pit closures proposed by the Board since the end of the strike have been achieved by simple agreement with unions locally; even traditionally militant areas have shown little heart for resistance, and opposition has been left to local authorities. Since the end of the strike 17 pits have closed and 4 pairs of pits have merged, all by agreement with the unions locally. A further 4 closures and 2 mergers have been agreed. 11 closures and one merger are at various stages in the Colliery Review Procedure. By contrast, the speed of closures over recent years can be deduced from the number of collieries at the end of each financial year.

NAT IND : COAL : PART 18 .





30



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

29 November 1985

NBBN.

Dear David,
Will DRN?

SECOND REPORT ON LESSONS OF THE MINERS' STRIKE

The Lord President has seen Sir Robert Armstrong's minute of 25 November to the Prime Minister on this subject. He is content to endorse the conclusion in paragraph 15 of the report attached to that minute.

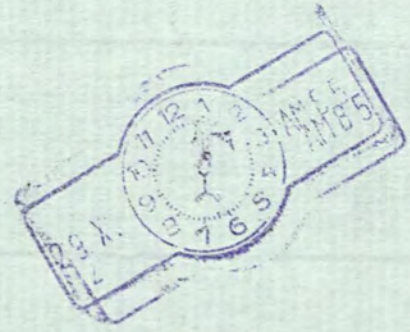
I am sending a copy of this letter to the Private Secretaries to the Secretaries of State for Trade and Industry, the Home Department, Energy, Defence, Scotland, Wales, Transport, and Employment; the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Attorney General, and Sir Robert Armstrong.

Yours sincerely

Joan

JOAN MACNAUGHTON
Private Secretary

D Norgrove Esq



UNITED STATES POSTAL SERVICE
MAIL PROCESSING CENTER

15

29A.

Prime Minister 2
Touste
DLW
3/12

01 211 6402

ms

The Rt Hon John MacGregor OBE MP
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

29 November 1985

[Handwritten signature]

ms

REDUNDANCY TERMS FOR MINeworkERS

The existence of generous redundancy benefits for mineworkers under the Redundant Mineworkers Payments Scheme played an important role during the miners' strike in convincing the public that the miners were being offered a fair deal, and enabled us to focus attention on the unreasonableness of the NUM's demands. Since the end of the strike the terms have been central in allowing the NCB to find the volunteers to push forward with the restructuring necessary to achieve the target of breakeven without deficit grant in 1987/88 while meeting our commitment that all redundancies would be voluntary. Nearly 29,000 men left the industry this year or were under notice to do so by 22 November, as a result of which the Board have been able to close 19 pits.

Because many mineworkers failed to pay sufficient national insurance contributions during 1984/85 to qualify for contributions-based social benefits during the 1986 benefit year, and because under present rules it is a requirement for new redundants that they must meet the conditions for these if they are to qualify for weekly RMPS benefits, the level of redundancy benefits available will fall sharply after 5 January 1986, particularly to many older men. The effect will be particularly marked because many of the men the Board need to shed are in areas where the strike was most solid.

In order to avoid a situation in which men who left on unfavourable short notice terms to avoid being caught by the contributions rule could claim that they were in any sense misled I do not propose any changes to the present Scheme, which expires on 29 March 1986. However, despite the considerable progress that has been made this year, a substantial number of further redundancies and closures will be necessary during 1986/87 if the coal industry is to achieve the financial target we have set it and keep itself on the road to a profitable future. NCB advise that at least a further 17,000 redundancies will be necessary next year many of which will need to come from those areas which were on strike for the longest periods; and that this will be impossible to achieve



without compulsion unless total redundancy benefits are at levels comparable to those now on offer. I therefore propose a new Scheme to cover the financial year 1986/87 offering a level of total weekly benefits post redundancy for men aged 50 or over similar to that available during the current calendar year. The scheme lump sum benefits, if any, of those men who failed to pay sufficient national insurance contributions to qualify for full rate unemployment benefit will be reduced to take account of the national insurance contributions they missed. Existing rules would continue to apply to men aged under 50. An outline of the proposals which it is my intention to announce during the week beginning 16 December is attached to this letter.

Because the primary effect of my proposals is to continue existing levels of benefit the implications for RMPS expenditure next year compared to the existing PES baseline are modest. To the extent that making good the total weekly benefits to men who do not qualify for full unemployment benefit during their first year of redundancy exceeds the deduction from lump sums to reflect missed national insurance contributions there may be a slight increase in expected expenditure of some £350 per redundant aged 50 or over; ie of the order of £4 million for the estimated 17,000 RMPS redundancies in 1986/87 referred to above. This will, however, be more than offset by the reduction in expected 1986/87 RMPS expenditure compared to baseline as a result of the lower numbers of men now expected to leave next year.

I should welcome your agreement to these proposals. I am copying this letter to the Prime Minister, Norman Fowler, David Young, Leon Brittan, Nicholas Ridley, George Younger, Nicholas Edwards, John Biffen, and to Sir Robert Armstrong.

A large, stylized handwritten signature in dark ink, appearing to read 'P. Walker', is written over the typed name.

PETER WALKER

OUTLINE OF PROPOSED REDUNDANT MINeworkERS PAYMENTS SCHEME
FOR 1986/87

Proposals

- Levels of basic weekly benefit for men aged 55 plus continued on present basis, with existing ceiling of £160 per week on maximum allowable pre redundancy earnings for benefit purposes maintained.
- Level of weekly pension plus pension supplement for men aged 50 to 54 maintained at £35 per week.
- Eligibility for above weekly benefits becomes dependent on meeting conditions for receipt of national insurance credits as a result of unemployment or sickness, rather than, as at present, on entitlement to unemployment benefit or sickness benefit.
- Rules governing payment of RMPS unemployment benefit equivalent amended to enable payment through RMPS to men aged 50 or over of such sums as will with any unemployment benefit or sickness benefit actually received equal the standard rate of these benefits.
- Present levels of RMPS lump sum benefits maintained, but with a deduction of a sum approximately equal to the level of national insurance contributions not paid from those men aged 50 to 59 who failed to qualify for full rate unemployment benefit and receive increased payments under the amended rules governing unemployment benefit equivalent in consequence.

Effect

- (i) For men aged 50 plus on redundancy

Total weekly benefits (unemployment benefit and RMPS benefits combined) continue at approximately their present levels,

irrespective of the mans personal national insurance contribution record during 1984/5. There is no increase in the RMPS basic benefit or pension supplement to reflect inflation, however.

RMPS lump sum benefits (if any) remain at their present levels for men who paid sufficient national insurance contributions in 1984/5 to qualify for standard rate unemployment benefit, but are reduced by £550 to £600 for men who qualify for reduced rate or no unemployment benefit.

(ii) For men aged under 50 on redundancy

As under present rules no RMPS weekly benefit is payable to this group, whose entitlement to unemployment benefit will depend upon their national insurance contribution record.

RMPS lump sum benefits continue at present levels.

Coal 2

26 November 1985

1 (week-end)

Thank you very

much. We must

take this while

there is still time

no

PRIME MINISTERSECOND REPORT ON LESSONS OF THE MINERS' STRIKE

Sir Robert Armstrong has now sent you the Second Report on Lessons of the Miners' Strike. He invites comments from other Ministers, but believes it may not be necessary for you to have a meeting on it, other than the meeting about physical endurance which is already in prospect (fixed for 19 December).

The report is interesting, but it has an air of complacency. It lacks urgency. You have referred to the risk that the miners may strike again in 1986-87. Ministers and officials ought to be working actively now to ensure that if this happens it will be defeated more quickly and at lower cost.

This should also be a central concern of the NCB. But there is a risk that over the coming nine months Ian MacGregor will not have the interest, and Sir Robert Haslam will not have the power. (The Department of Energy itself will have the Gas Bill to take through 'the House.)

Immediate questions might include:-

(a) The report argues (top of page 4) that the perception of the way working miners have been treated may have the effect in any future dispute of discouraging men outside the traditionally moderate areas from crossing picket lines. What can and should the NCB be doing to counter this perception?

(b) It also argues that in the medium term the greatest influence on militancy will be the outcome of the various moves towards break-away unions. The NCB have rightly made the running on handling the UDM. What are the prospects? What should the Government (Departments of Energy and Employment) be doing, if anything?

✓ (c) The report points to the promise offered by the restructuring of performance incentives (page 5). Are the NCB moving quickly enough?

✓ (d) The report describes (page 5) the action being taken to weaken NACODS. Are the timing and tactics of this being handled with proper attention to the need to avoid forcing NACODS into the NUM camp in any confrontation next winter? The NCB are taking some measures. What more might be done before 1988, unprovocatively?

✓ (e) It refers to the problems caused by multi-issue ballots and quotes NACODS' of September 1984, but argues that this has been the only such case. But why shouldn't it be done again deliberately, and should action be taken to stop it?

✓ (f) Paragraph 13 says that the Widdicombe Inquiry is expected to report in late Spring 1986 on matters relevant to local authorities' scope for providing financial assistance to strikers and their families. Should the Government anyway be looking towards legislation on this early in the 1986-87 session?

The last two points can be picked up in a wrap-up minute to RTA once other Ministers have commented. Agree to write to Mr Walker about the other four points? *Yes*

The Chancellor's ideas on the coal industry in the medium to longer term are also still outstanding. These could be picked up again in the context of the NCB corporate plan (expected before Christmas). That will also be the time to consider what objectives to set for Sir Robert Haslam.

DLG
David Norgrove
28 November 1985

*DW
seen*

CONFIDENTIAL

WEEKLY COAL AND POWER STATION STATISTICS SUPPLEMENT (1)

EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1P 4QJ phone:01-211-4368

28 NOVEMBER 1985

Week ending.....		19.11.83	17.11.84	26.10.85	2.11.85	9.11.85	16.11.85
C O A L	PRODUCTION (m. tonnes)						
	deep mines+	1.93	0.58	1.95	1.99	1.97	2.03
	opencast+	0.32	0.25	0.41	0.34	0.32	0.31
	TOTAL	2.25	0.83	2.35	2.33	2.29	2.34
	PRODUCTIVITY(2) (tonnes/manshift)						
	'overall'	2.50	2.29	2.84	2.88	2.85	2.93
	'production'	10.30	11.30	12.25	12.57	12.66	12.88
	UNDISTRIBUTED (m. tonnes)						
	deep mines:						
	England	15.02	7.84	2.75	2.75	2.83	2.81
S.Wales	2.70	2.46	2.09	2.12	2.15	2.15	
Scotland	1.61	1.37	0.93	0.91	0.90	0.88	
opencast	5.19	9.44	4.23	4.20	4.10	4.01	
TOTAL	24.52	21.12	10.00	9.98	9.98	9.85	
P O W E R S T A T I O N S	COAL STOCKS (m. tonnes)						
	S. Eastern	3.19	0.86	1.84	1.87	1.88	1.87
	S. Western	2.36	0.61	2.76	2.80	2.80	2.78
	Midland	12.98	8.87	7.92	8.09	8.16	8.24
	N. Eastern	9.21	2.90	8.22	8.23	8.32	8.37
	N. Western	2.67	1.40	1.83	1.85	1.86	1.86
	TOTAL CEBG	30.41	14.65	22.57	22.83	23.02	23.12
	Scotland	2.87	0.81	1.85	1.82	1.79	1.78
	TOTAL Gt. Britain	33.28	15.45	24.42	24.65	24.81	24.90
	COAL CONSUMPTION (m. tonnes)						
S. Eastern	0.16	0.02	0.15	0.14	0.15	0.14	
S. Western	0.22	0.02	0.13	0.14	0.12	0.21	
Midlands	0.75	0.52	0.57	0.64	0.74	0.73	
N. Eastern	0.46	0.10	0.49	0.53	0.47	0.49	
N. Western	0.11	0.09	0.13	0.14	0.15	0.15	
TOTAL CEBG	1.70	0.74	1.47	1.59	1.63	1.72	
Scotland	0.14	0.02	0.17	0.18	0.19	0.18	
TOTAL Gt. Britain	1.84	0.76	1.64	1.77	1.81	1.91	
COAL RECEIPTS (m. tonnes)							
CEGB	1.54	0.69	1.89	1.86	1.82	1.83	
Scotland	0.11	-	0.17	0.16	0.16	0.17	
Gt. Britain	1.65	0.69	2.06	2.01	1.98	2.00	
OIL STOCKS(3) (m. tonnes)							
CEGB	1.19	1.13	0.87	0.83	0.80	0.76	
Scotland	0.17	0.16	0.17	0.17	0.17	0.17	
Gt. Britain	1.36	1.29	1.05	1.00	0.97	0.93	
OIL CONSUMPTION (3) (m. tonnes)							
CEGB	0.05	0.53	0.06	0.07	0.07	0.09	
Scotland	0.02	0.08	-	-	-	0.01	
Gt. Britain	0.07	0.62	0.06	0.07	0.07	0.10	
OIL RECEIPTS(3) (m. tonnes)							
CEGB	0.01	0.44	0.05	0.03	0.04	0.05	
Scotland	0.02	0.08	-	-	-	-	
Gt. Britain	0.03	0.52	0.05	0.03	0.04	0.05	
GAS CONSUMPTION (m. therms)							
CEGB	-	5	-	-	-	-	
ELECTRICITY(4) SUPPLIED (GWh) TOTAL							
Nuclear	764	886	844	791	809	873	
Other Steam	4,392	4,090	3,968	4,335	4,430	4,720	
TOTAL	5,156	4,976	4,812	5,126	5,238	5,593	
TOTAL, temperature corrected	5,014	5,011	4,716	4,471	5,106	5,066	

(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. +includes licensed production.

CONFIDENTIAL

CONFIDENTIAL

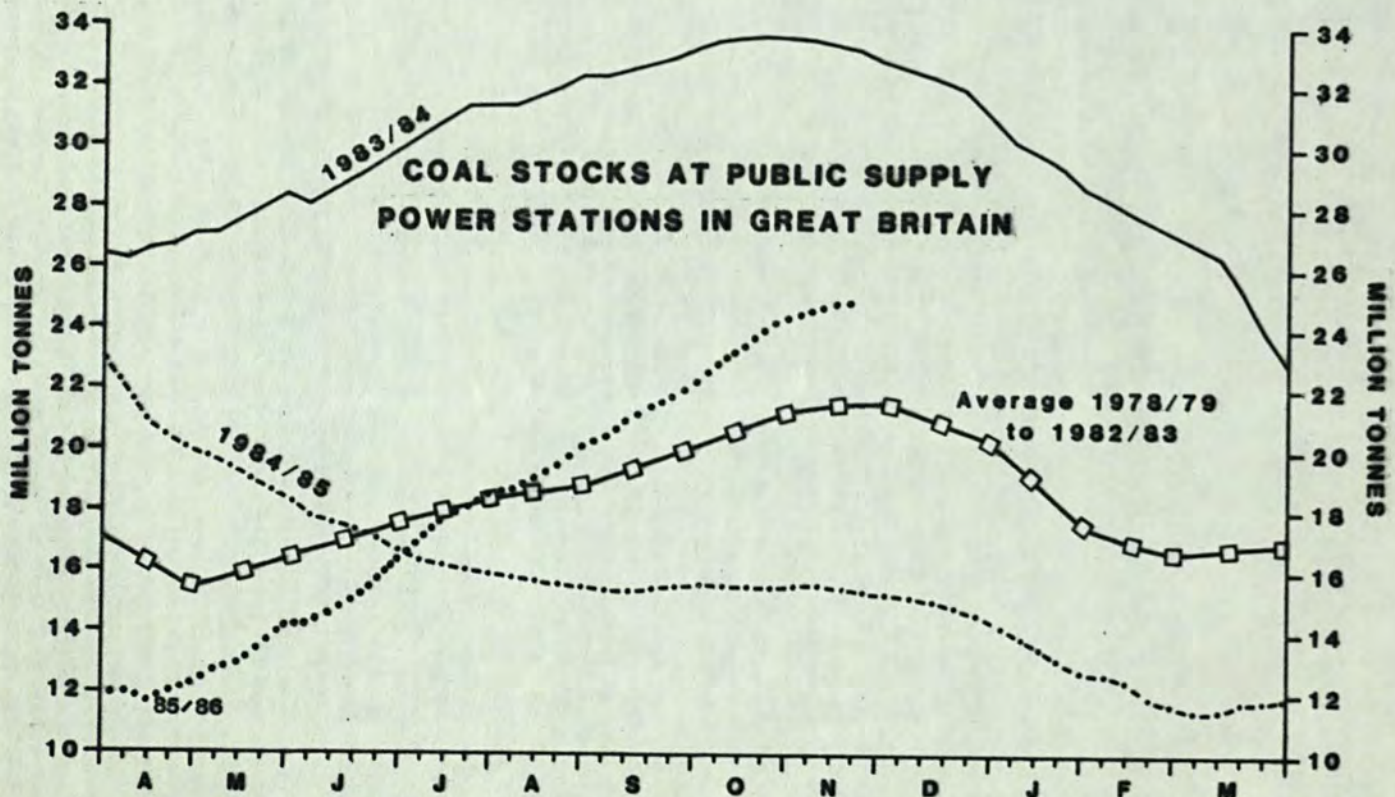
WEEKLY COAL AND POWER STATION STATISTICS (1)

EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1P 4QJ phone 01-211-4368

28 NOVEMBER 1985

Week ending.....		19.11.83	17.11.84	26.10.85	2.11.85	9.11.85	16.11.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	1.93	0.58	1.95	1.99	1.97	2.03
	opencast+	0.32	0.25	0.41	0.34	0.32	0.31
	TOTAL	2.25	0.83	2.35	2.33	2.29	2.34
	PRODUCTIVITY (2) (tonnes/manshift)	'overall' 2.50	2.29	2.84	2.88	2.85	2.93
		'production' 10.30	11.30	12.25	12.57	12.66	12.88
	UNDISTRIBUTED STOCK (m.tonnes)						
	TOTAL	24.52	21.12	10.00	9.98	9.98	9.85
P O W E R	COAL STOCKS (m.tonnes)	33.28	15.45	24.42	24.65	24.81	24.90
	COAL CONSUMPTION	1.84	0.76	1.64	1.77	1.81	1.91
	COAL RECEIPTS	1.65	0.69	2.06	2.01	1.98	2.00
S T A T I O N S	OIL STOCKS(3)	1.36	1.29	1.05	1.00	0.97	0.93
	OIL CONSUMPTION(3)	0.07	0.62	0.06	0.07	0.07	0.10
	OIL RECEIPTS(3)	0.03	0.52	0.05	0.03	0.04	0.05
	ELECTRICITY SUPPLIED (4) (GWh)						
	Nuclear	764	886	844	791	809	873
	Other Steam	4,392	4,090	3,968	4,335	4,430	4,720
	TOTAL	5,156	4,976	4,812	5,126	5,238	5,593
	TOTAL, temperature corrected	5,014	5,011	4,716	4,471	5,106	5,066

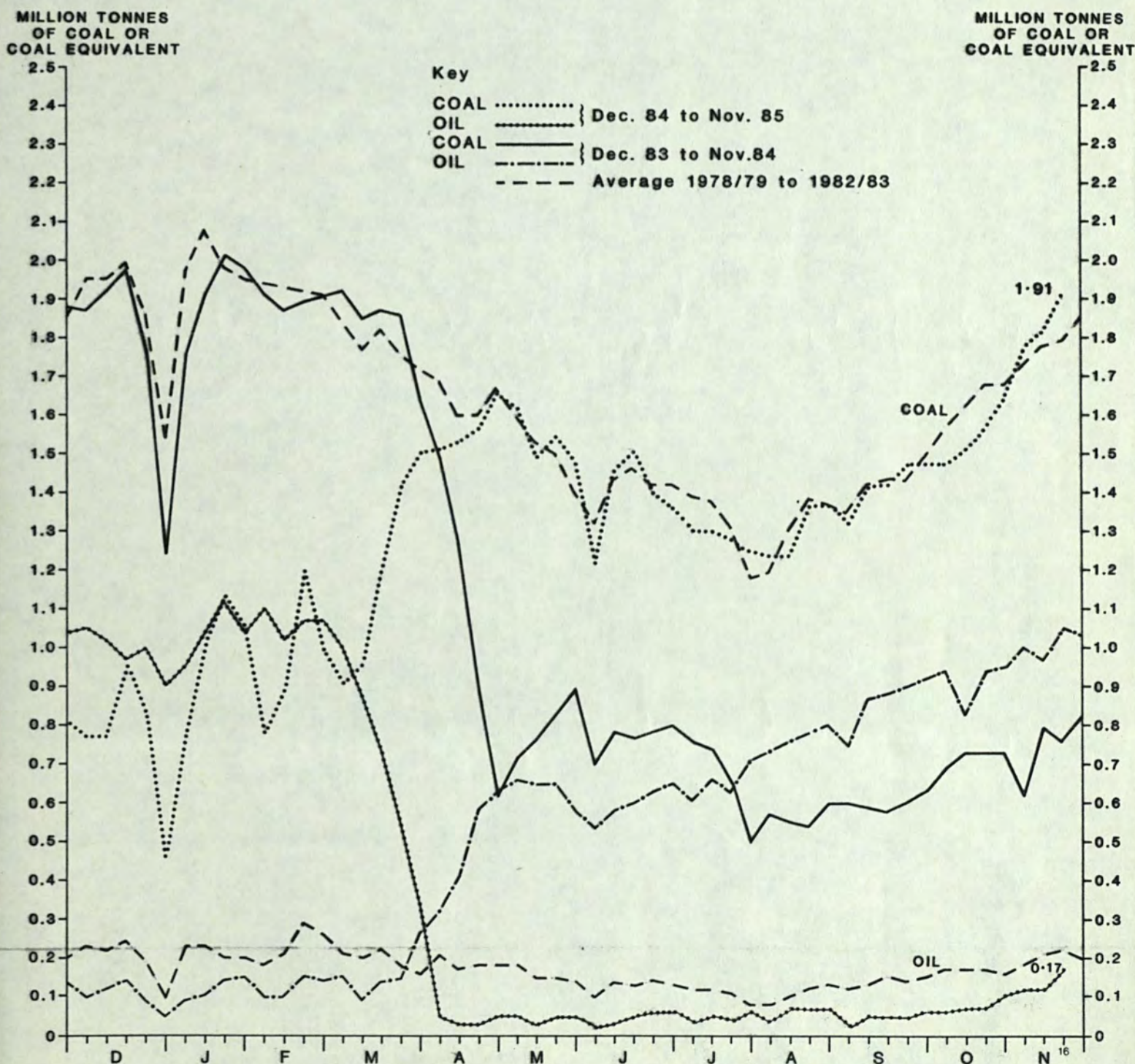
(1) Great Britain unless otherwise stated. All latest figures are subject to revision. (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only. +includes licensed production.



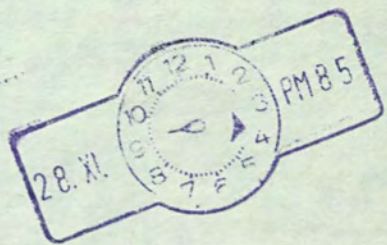
CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL



SECRET AND PERSONAL



Chancellor of the Duchy of Lancaster

28

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299
7471

27 November 1985

David Norgrove Esq
Private Secretary to the Prime
Minister
No 10 Downing Street
LONDON
SW1

NBPN

Dear David,

SECOND REPORT ON LESSONS OF THE MINERS' STRIKE

The Chancellor of the Duchy has seen Sir Robert Armstrong's minute of 25 November to the Prime Minister on this. He is content to endorse the conclusion in paragraph 15 of the report attached to that minute.

I am sending a copy of this letter to the private secretaries to the Lord President, Secretary of State for Trade and Industry, Chancellor of the Exchequer, the Home Secretary, Secretaries of State for Energy, Defence, Scotland, Wales, Transport and Employment, to the Attorney General, and to Sir Robert Armstrong.

Yours Sincerely,
A. Lansley

ANDREW LANSLEY
Private Secretary

SECRET AND PERSONAL



27

Ref. A085/3037

PRIME MINISTER

Second Report on Lessons of the Miners' Strike

You asked the Official Group on Coal (MISC 57) to review in October progress in implementing recommendations in areas other than physical endurance that were identified for follow-up action in their first report (MISC 57(85) 9). The review has been --- carried out and a second report prepared, which I now attach.

2. The report contains:

- a. a brief summary of the decisions about physical endurance made at your meeting with the Chancellor and Secretaries of State for Energy and Scotland on 24 July - paragraphs 3 and 4;
 - b. an account of progress made on protecting local NUM autonomy, the transfer of miners subject to intimidation, pay incentives, weakening the monopoly of NACODS and maximising the contribution of opencast coal - paragraphs 5-7;
 - c. details of the current position in relation to law and order matters - paragraphs 8-10;
 - d. a description of progress on a number of miscellaneous points some of which must await the outcome of work in other fields before firm conclusions can be reached.
3. A further meeting of those Ministers most directly concerned with physical endurance is to be arranged next month. You may consider that it is not necessary to have a meeting to



discuss the other matters covered in this report and it would be helpful if other Ministers who have been sent copies would let your office know, as soon as possible, whether they are content to endorse the conclusion in paragraph 15.

4. I am sending copies of this minute and the attached report to the Lord President, Secretary of State for Trade and Industry, Chancellor of the Exchequer, the Home Secretary, Secretaries of State for Energy, Defence, Scotland and Wales, the Chancellor of the Duchy of Lancaster, Secretaries of State for Transport and Employment and the Attorney General.

REA

ROBERT ARMSTRONG

25 November 1985

NOTE

The circulation of this document has been restricted. Recipients are accordingly asked to ensure that the secrecy of its contents and the need to know principle is strictly observed.

SECOND REPORT ON LESSONS OF THE MINERS' STRIKE

INTRODUCTION

1. In June 1985 Ministers endorsed the specific points for follow-up action in the report by officials identifying the lessons of the 1984/85 miners' strike (Misc 57(85)9). The Prime Minister requested the Official Group on Coal to review progress on implementing the recommendations of the report, other than those concerned directly with physical endurance which were to be dealt with separately. The purpose of this note is to report the outcome of the review requested by the Prime Minister.

2. For convenience this report will address topics in the same order in which they were addressed in the first report. Paragraph references are, unless indicated otherwise, to relevant paragraphs of the first report.

PHYSICAL ENDURANCE (paragraph 2.10i)

3. At a meeting in July 1985 of Ministers most directly concerned it was decided that power station coal stock levels should be restored to 23m tonnes by October (to give some six months endurance) with deliveries being maintained at a maximum rate throughout the winter of 1985/86 to provide a stock level of some 22m tonnes by the end of March 1986. The question of coal stock levels after March 1986 is to be considered towards the end of the year, by which time a number of financial aspects would have been examined further. It was also decided that:

- a. further expansion of the capacity of the Scottish Interconnector should not be pursued at present;
- b. care would need to be taken over the timing of two year rolling contracts for full utilisation of the French Interconnector;
- c. Central Electricity Generating Board (CEGB) plans to improve the flexibility of switching from coal to oil and for widening the scope of what would be considered normal working should be approved, whilst at the same time it was noted that there was little scope for increasing oil storage capacity;

d. advantage should be taken of the January 1986 review of the agreement between the CEGB and British Rail (BR) on rail delivery of coal to power stations to establish some road deliveries as part of normal working.

4. In the event the coal restocking programme has proceeded smoothly and successfully. While falling slightly short of the target for the end of October, stocks at CEGB power stations at the end of the first week in November were some 23.0m tonnes with a further 1.8m tonnes in Scotland. The CEGB and the NCB are finalising the detailed winter supply programme and no difficulties are seen at present in being able to meet the stock target of 22m tonnes at the end of March 1986.

PHYSICAL ENDURANCE (paragraph 2.10ii)

5. Protecting Local NUM Autonomy

a. New Unions

i. The National Union of Mineworkers (NUM) accepted a new rule book at their Delegate Conference in July; the following day Notts Area officials decided to leave the NUM. Nottinghamshire, South Derbyshire and the Colliery Trades and Allied Workers Association (a small group of men expelled by the NUM in Durham) have now each balloted on whether to break away from the NUM. Results in Nottingham and the CTAWA were heavily in favour of leaving the NUM. In South Derbyshire, however, the vote in favour was by a majority of only 26 votes.

ii. The legal process of setting up the new Union of Democratic Mine Workers (UDM), following the ballots, should be complete before the end of the year. Agecroft colliery in Lancashire and Daw Mill in Warwickshire have voted by large majorities to join the UDM and other pits in these areas are to ballot. There is also now an active pro-UDM organisation in Scotland, and a number of branches of COSA, the white collar section of the NUM, have also expressed interest. The executive of COSA had earlier decided against breaking away after receiving assurances from the NUM that, under the new rules, a constituent association cannot be ordered to take strike action by the National Executive Council in contravention of the rules or policy of the constituent association. Mr Roy Lynk, the General Secretary of the UDM in Nottinghamshire,

has said the union has received thousands of individual applications for membership.

iv. The NCB have recognised the new union and have had wage negotiations with Nottinghamshire and South Derby. The NUM have sought to refer to the industry's National Reference Tribunal the Board's approach of negotiating separate wage settlements with the NUM and the UDM. The NRT met on 12 November and concluded that they had no jurisdiction in the matter; the industry's conciliation scheme assumes the existence of only one union. The Board recognise that the present machinery may now not be appropriate and intend to open formal consultation on change with all concerned once the UDM is registered. The TUC maintain their position of refusing to affiliate the UDM, although when the NUM executive met the TUC on 6 November, they were told that the TUC believe the UDM to be solidly based, with scope for expansion. Roy Lynk, General Secretary designate of the UDM, has pointed out that the UDM has not sought affiliation to the TUC or the Labour Party.

b. Transfers

i. The NCB have for the most part resisted calls for the wholesale transfer of working miners away from militant areas. There was a considerable amount of intimidation of working miners in the immediate post-strike period, and the public found the Board's policy difficult to understand. Public presentation of the policy made two main points: the large scale transfer of moderates would have shown the tactics of intimidation to have been successful; and there was simply not room in moderate pits to accommodate all those who, in the first days after the strike, had requested transfers. A further reason, unpublicised, was the antagonism in moderate areas towards transferees, many of whom had returned to work for financial rather than ideological reasons, and who would be taking jobs that moderates believed should rightfully go to their sons.

ii. The incidence of intimidation dropped rapidly within a fairly short time; and for the remaining hard core of cases the Board eventually arranged suitable transfers. However, there is evidence of continuing dissatisfaction in some areas. It is probable that the

perception of the way men have been treated may have the effect in any future dispute of discouraging men outside the traditionally moderate areas from crossing picket lines.

c. Pay Incentives

The NCB have offered the UDM an increase in grade rates of £5.50 a week and an increase of 50p a shift in the basic level of incentive bonus. The Notts area voted on 8 November to accept this offer together with a 30p/shift bonus for attendance between 1 April 1984 and 31 October 1985. The Board have also indicated to the UDM that they have it in mind to introduce improved bonus arrangements for both production and non-production workers; these indications do not form part of the Board's formal offer. They intend to offer the NUM, in respect of areas outside Notts and South Derby, the same increase in the basic level of incentive bonus, but have first sought from the union a written undertaking on union cooperation in improving productivity. The NUM are putting the proposal to their areas for consultation. The Board have not decided whether they will offer the NUM an improvement in grade rates; if they do, it is likely to be rather less favourable than the offer to the UDM (probably a percentage increase, subject to a maximum of £5.50 a week). The Board do not intend to say anything to the NUM at this stage about improved bonus arrangements similar to those which they have indicated to the UDM. The Board's tactics appear to be aimed at giving some preference to the UDM but without making such a sharp distinction between them and the NUM as to provide a foundation for charges of vindictiveness.

d. Conclusion

i. For the short term, the main weapon against militancy is the lack of enthusiasm among NUM members for further industrial action. Many of the pit closures proposed by the Board since the end of the strike have been achieved by simple agreement with unions locally; even traditionally militant areas have shown little heart for resistance, and opposition has been left to local authorities. Since the end of the strike 17 pits have closed and 4 pairs of pits have merged, all by agreement with the unions locally. A further 4 closures and one merger are at various stages in the Colliery Review Procedure. By contrast, the speed of closures over recent years can be deduced from the number of collieries at the end of each financial year:

1973/74	259		
1978/79	223	- 36	closures (over 5 years)
1979/80	219	- 4	"
1980/81	211	- 8	"
1981/82	200	- 11	"
1982/83	191	- 9	"
1983/84	170	- 21	"
1984/85	169	- 1	"

ii. In the medium term the greatest influence on militancy will be the outcome of the various moves towards breakaway unions. Department of Energy officials are in close touch with the Board over these developments; ballots are still continuing at various pits/areas. For the moment the Board are doing their best to foster the UDM by reaching early pay settlements with them.

iii. Restructuring of performance incentives is a much longer term strategy, but holds considerable promise for countering militancy in the coalfields.

6. Weakening the Monopoly of the National Association of Colliery Overmen, Deputies and Shotfirers (NACODS)

At present deputies (virtually all of whom are members of NACODS), as well as managers, have statutory duties concerning health and safety underground and regulations provide for the formal qualifications they must have before they are competent to perform them. The NCB are putting proposals to the Mines Qualification Board with the intention of widening the base from which the necessary competence can be secured and have also begun discussions with the Mines and Quarries Inspectorate of the Health and Safety Executive on the possibility of changes to regulations to lessen the monopoly power which NACODS can exert. The Inspectorate has already developed a major programme for the modernisation and reform of all safety legislation concerning mines, has begun formal consultations on some aspects of it, readily recognises that the statutory responsibilities of mine management is central to a new legislative framework and that changes need to be made. The complexity of the reform programme and the need for statutory, formal consultations on detailed proposals as they are framed does, however, mean that major legislative change is unlikely in this area before early 1988. The NCB have, however, developed ideas for earlier changes which they intend to discuss with the Inspectorate.

7. Maximising the Contribution of Opencast Coal in a Future Dispute

a. The 1984/85 strike highlighted a number of problems in maximising the benefit available from opencast sites, which continued working throughout:

(i) in some cases planning conditions specified rail movement of coal, and local authorities would not allow road transport, even when rail transport was unavailable;

(ii) even in those areas where the planning conditions permitted the use of alternative transport "in cases of emergency", it was difficult to use road transport because Ministers and the NCB were reluctant to admit the existence of an emergency;

(iii) it was considered too provocative to move stocks from opencast sites in militant NUM areas.

b. The Departments of Energy and Environment have considered the problems described at (i) and (ii) above and have concluded that it would be possible in principle, within existing planning legislation, to phrase future planning consents to that alternative forms of transport may be used and to vary the nine existing planning consents to which restrictions apply. The Opencast Executive are considering the matter and a meeting with D/Energy officials is in prospect to agree the best way to proceed.

c. In the event of future industrial action, there would probably be little scope for improvement in (iii) unless there was considerably less coal movement from other sources, or the political judgements were different.

LAW AND ORDER (paragraph 3.31)

8. It is intended, in the impending Public Order Bill, to replace, in England and Wales, the existing common law offence of riot with a more restrictive, but more clearly defined, statutory one; and to provide that riot charges will require

the consent of the Director of Public Prosecutions. When the Crown Prosecution Service is established it will be for that Service, rather than the police, to decide whether to proceed with charges once brought. These changes should help to ensure that there is no recurrence of the fiasco of the recent riot trials; many were charged with riot in the course of the miners' dispute but none was convicted. (It should be noted that after the disorders in St Paul's, Bristol, in April 1980 twelve people were charged with riot, but eight were acquitted and the jury failed to agree verdicts on the remaining four. No one was charged with riot after the more widespread disturbances in 1981.)

9. The study groups set up by the Association of Chief Police Officers (ACPO) to consider the policing lessons to be learned from the dispute have now completed their tasks. They have drawn on reports made by individual chief constables. The numerous recommendations of the study groups are mainly on points of detail (for example on tactics and equipment) and will be considered in the normal way by ACPO and the Home Office. Similar reviews were not carried out in Scotland where police operations were conducted in a markedly different way, but the Association of Chief Police Officers (Scotland) have arranged to be kept closely informed of the outcome of the reviews carried out in England and Wales. The local authority associations have been mainly concerned with financial matters and the constitutional position of police authorities. Their views are being discussed by the Police Advisory Board under the Home Secretary's chairmanship.

10. Magistrates Courts

From an early stage in the miners' strike Lord Chancellor's Department officials encouraged the magistrates' courts affected to ask the Lord Chancellor for the appointment of an acting stipendiary magistrate if an insufficiency of justices was likely to be a cause of delay in the disposal of cases. It was several weeks after the initial approach to the courts before they decided that acting stipendiary magistrates were needed. Appointments were then made as requested. The Lord Chancellor's Department maintains an expanding list of practitioners, justices' clerks, retired stipendiary magistrates and others who are qualified and suitable for appointment as acting stipendiary magistrates, and together with the 60 or so full-time stipendiary magistrates currently serving in England and Wales there is a sufficient number to provide an adequate level of professional support to lay benches if a similar situation develops in future. Delays did not arise solely because of a shortage of magistrates; there were some problems over

the availability of courts clerks and courtrooms and many of the cases require a lengthy time for defence and prosecution preparation.

OTHER FACTORS (paragraph 4.24)

11. Assistance with Mortgage Interest Payments

As part of the measures arising from the Social Security Review, Ministers have agreed that negotiations should take place with the building societies to restrict, as from autumn 1986, assistance with mortgage interest payments in supplementary benefit cases. Although this measure would not specifically refer to strikers it should go some way towards dealing with the problem identified.

(Fl-fowler is) course now intending to give some help in the first

12. Strike Ballot Provisions of the 1984 Trades Union Act

*six months, whereas
the earlier proposal was
one.)*

In commenting on the first report the Attorney General drew attention to the confusion and problems that might arise when more than one issue featured on strike ballot papers - quoting the example of the NACODS ballot in September 1984. The Department of Employment monitors strike ballots under the 1984 Act and has come across no other example where it might be suggested that majority for industrial action was secured only by such possible confusion. The Department continues to review the strike ballot provisions, which have been in operation for only 12 months and are generally considered to be working well and to good effect, with the Attorney General's concern in mind.

13. Financial Assistance to Strikers from Local Authorities

It is expected that the Widdicombe Inquiry into Local Government procedures and practices will report on matters relevant to local authorities scope for providing financial assistance to strikers and their families in late spring 1986.

14. The Use of Authoritative Public Spokesmen and Improvement of Channels of Communication with Work-forces

Departments concerned (Energy, Transport, Environment and Trade and Industry) have all reported that their public sector industries are aware of these lessons and are planning accordingly. Specifically:

a. The NCB have advised Area Managements to invite some union members, as well as officials, to consultative meetings and to make use of letters to individual employees rather than rely solely on union channels of communication. Courses at the NCB Staff College are now placing emphasis on the need for effective communication with all levels of the workforce.

b. The appointment of an authoritative spokesman by BR during the 1985 summer dispute with the National Union of Railwaymen (NUR) seemed to play an important role in putting the facts of the dispute clearly before the general public and the NUR members; the latter subsequently voted to reject strike action. BR have developed methods of communicating with their workforce, that do not rely on union channels, which were used effectively during both the miners' strike and the summer 1985 dispute.

c. The British Steel Corporation already use the Board's internal newspaper and letters to individual workers (mostly from local levels of management) to provide direct communication with their workforce, the effectiveness of which is greatly enhanced by pay and industrial relations matters being largely dealt with at local level.

d. The Post Office have earmarked two potential spokesmen at national level (The Chairman and the Board Member for Industrial Relations) and intend to rely on Head Postmasters as first line spokesmen in the event of a purely local dispute. A great variety of channels of communication with the workforce are currently employed - it is believed successfully.

e. The Water Authorities Association plan to employ two spokesmen in the event of future disputes, one to deal with all aspects of the causes of the dispute and the other to deal with the effects of the dispute on the public and other water users. The best method of effective communication between management and their workforce will be decided by the ten water authorities and twentyeight water companies that make up the industry - advised and encouraged by the Association.

CONCLUSION

15. Ministers are invited to:

- a. Take note of the follow-up action, taken and in hand, to take advantage of the lessons of the 1984/85 miners' strike;
- b. Agree that the Official Group on Coal should continue to monitor progress and report as necessary.



Resolved,

That this House takes note of the Ministry of Agriculture, Fisheries and Food's unnumbered explanatory memorandum dated 26th June 1985 on health and animal health problems affecting intra-community trade in heat-treated milk; endorses the view that trade in heat-treated milk should be subject to a Community regime in order to protect human and animal health; and therefore welcomes Council Directive No. 85/397/EEC of 5th August 1985 on health and animal health problems affecting intra-community trade in heat-treated milk.

Redundant Mineworkers' Payment Scheme

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

11.42 pm

Mrs. Edwina Currie (Derbyshire, South): In my constituency I have one pit employing about 1,000 men, the central National Coal Board workshops at Swadlincote with over 200, and the internationally famous Mining Research and Development Establishment at Stanhope Bretby, with its associated test site at Swadlincote nearby. I can say that I have the brainiest miners in the country. The Mining Research and Development Establishment employs nearly 1,000 people, of whom approximately one third are industrial staff. My concern tonight is that they do not appear to be entitled to benefit from the Redundant Mineworkers' Payments Scheme as set out in Statutory Instrument 1984 (457) and other statutory instruments.

My hon. Friend is acquainted with the first class work at Bretby, and I believe that that was one of the first visits he made in September 1984 following his appointment as a Minister. He knows the details of the excellent work it is doing, for example, on dust control. It has just won the Queen's Award to Industry for the fourth time for its work on dust control. It has worked on MINOS, the system of electronic monitoring which has recently been installed at all the pits at Selby, on rapid improvements in coal carrying, on tunnelling, on coal preparation, on reduction of sulphur, and on research into acid rain. Development work is being done for the Chinese, and so on. There is a wide range of work being done there.

This nation owes a considerable debt to the work force there for, like their colleagues at the local pits, they worked throughout the strike and kept the midlands pits going. They have yet again enhanced the reputation of south Derbyshire people by their common sense and coolness in the face of considerable pressure. I am proud indeed to represent them all.

The work done by the industrial staff is to back up the scientists and engineers. Their job is to set up the rigs, to install them. This often involves underground working, and many of them have substantial underground experience. They are frequently working in dangerous or unpleasant circumstances underground—for example, on development work—or where there has been an accident or a stoppage of machinery. Any idea that they are just office or laboratory staff is a load of nonsense. They work alongside colliers underground, and they always have done. More important, their work is required because there are mines in this country, and for no other reason. If we had no mines, we would need no MRDE. All its other work is extra—a bonus and a tribute to its excellent work for our local pit men.

The RMPS has enhanced payments for National Coal Board employees made redundant as pits and ancillary locations close. It has gone through several variations and is currently the most generous redundancy scheme on offer in the United Kingdom. Men can leave with more than £30,000 in their pockets. The scheme was supported by Conservative Members, even though we are spending an awful lot of public money. I think that by the end of this year it will be about £1 billion on RMPS alone. We were conscious that many pits had to close and that they were

[Mrs. Edwina Currie]

frequently in areas where finding another job would be difficult. Such a sum for a man in his fifties facing a decade on the dole is not really so great. As a result, there has been a large number of voluntary redundancies—I think almost 30,000—and it has been the Government's proud boast that no one has been made compulsorily redundant from this industry.

To obtain payment, a man has to fulfil three conditions. First, he must be redundant; secondly, he must work at a prescribed pit under the Act; and thirdly, his redundancy must have been the result of the closure of a pit or coking plant. During my inquiries I have been told repeatedly that MRDE is not a prescribed place under the statutory instrument. There is a long list of odd prescribed places, which includes such places as area offices and establishments, ambulance stations, coal laboratories, training centres, water works, timber impregnation plants, workshops, stores and plant pool depots, and even the granaries for the foodstuffs for the pit ponies. It appears that the pit ponies can obtain RMPS, but not my constituents.

The workshops at Swadlincote are clearly included, but the problem is that no redundancies have been offered. Although the men would like to leave with enhanced terms, there are some 50 vacancies, so the NCB's answer is no. I am repeatedly told that MRDE is not included. I cannot understand why it does not come under headquarters, but I have been told that that is not the case. I understand that the exclusion goes back to the 1947 Act when the NCB was created, but no one seems to know why.

If the third condition is the problem—that the payment is dependent on colliery closures—I say to my hon. Friend that if there are fewer collieries, there is less work for MRDE to do. That is axiomatic. In any case, the pressure of the costs of closures is causing pressure on the finances of MRDE, and that is now precipitating an urgent problem.

One result is that the vacancies at the workshops and any vacancies that come up at MRDE are proving very difficult to fill. The men, understandably, are reluctant to move from the pits that are closing—for example at Measham—to an establishment where the enhanced payments are not available. They feel that they are giving up large amounts of money and yet may still face redundancy at some point in the future. Therefore, they are refusing to go, the vacancies are there, and the position is not satisfactory.

Nor is it as if my constituents are very well paid. If they were, I would expect them to look after themselves. A standard week for a craftsman at the test site results in him bringing home about £106. I have seen pay slips with that figure. Permitted overtime is only four hours a month and they have to work long hours to collect £140 to £150 a week after stoppages. I should point out that the staff at MRDE have an enhancement scheme, much of which they pay for. This sort of thing really rankles with those who do not have that scheme.

Until recently, the question was a little academic at MRDE because the men wanted early retirement—one third of them are over 55—but they wanted it with enhancement. However, no one faced real redundancy so they did not fulfil even the first condition of the three that I set out. In the last couple of months, however, that has

changed. MRDE, the Swadlincote test sites and the workshops have come under one management. The workshops are likely to be sold and MRDE is likely to be enforced to pay its way. More than 100 industrials are likely to be moved from Bretby to Swadlincote, and we have been told that there will probably be redundancies. Yet the men concerned are still excluded from RMPS.

I think that MRDE is a prescribed place. The changes there are, at least in part, the result of pit closures, and now I have people who will be made redundant. They face redundancy with only the statutory redundancy payments. I think they are being forgotten and left out simply because of an oversight from some 40 years ago.

Who will volunteer for redundancy on that basis? We may well see in my constituency the only compulsory redundancies in the whole of the National Coal Board. The men are well within their rights to refuse voluntary retirement on that basis.

Mr. Terry Patchett (Barnsley, East): The hon. Member was warned about it.

Mrs. Currie: Does the hon. Gentleman wish to say something? I will give way.

Mr. Alexander Eadie (Midlothian): Perhaps the hon. Lady will give way to me. I have been listening to the figures which the hon. Lady has been giving to the House. I know that she would not want to mislead the House, although she is arguing her case very well. I got information this morning from John Whitby to the effect that Mr. G. Knight, head of the research and development centre at Bretby, called a meeting of the scientific and engineering staff, told them that in the coming year there will be a reduction in staff from 234 to 198 and announced cuts in expenditure from £18.6 million to £12.2 million. Those are not the figures that the hon. Lady has presented to the House.

Mrs. Currie: I am grateful to the hon. Gentleman. He may also be aware that that may not be the end of the story, because our understanding is that MRDE will be required to break even in the near future. The figures he has mentioned are not at the break even point.

I want to make it clear, particularly to Opposition Members, that in my area it is not a party political matter. I am sure we share the same concern. We welcome some of the changes because the concentration of research and development and workshops in Swadlincote and Bretby is a major tribute to the quality of the work that they have been doing. Whereas workshops have been closing all over the country, I think that ours will be augmented and that I am likely to continue representing the brainiest miners for a very long time. That is a vote of confidence in our work force.

I understand that management would like to let quite a few of the men go, perhaps more than necessary, and take on juveniles. That might be a good thing. Many of my constituents have worked in the industry for 30 or 40 years at MRDE or have ended up there. Men are willing to retire. We have exactly the same problems in my area as there are everywhere else in finding jobs for young people. We need to bring down the average age of the people who are working in those establishments.

My right hon. Friend the Secretary of State for Energy and I have been exchanging letters on the subject for nine months and have been getting no further. If my

interpretation of the law is correct, will my hon. Friend admit that it is an anomaly and perhaps consult the NCB chairman, whichever one it is, with a view to seeing whether we cannot look after my constituents better? If it will take primary legislation to put the matter right, can he ensure that it is done promptly? I am sure that Opposition Members agree that it could be done in the House in 10 minutes flat.

My concern is solely about an injustice to my constituents which may cause real hardship. It is now a matter of urgency and I ask my hon. Friend to see what he can do to put it right.

11.52 pm

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): I am grateful to my hon. Friend the Member for Derbyshire, South (Mrs. Currie) for raising this important issue. One of the most significant features of the last general election was the entry into the House of a substantial number of Conservative Members representing a large proportion of the mining industry. Since then, my hon. Friend has distinguished herself by strong and consistent advocacy on behalf of her mining constituents, as has my hon. Friend the Member for Sherwood (Mr. Stewart), whom I am pleased to see here tonight. This is a further instance of the constant pressure which my hon. Friend the Member for Derbyshire, South brings to bear on behalf of her constituents. I acknowledge that.

I also have great pleasure in acknowledging the importance of Bretby. This was one of the first visits that I made following my appointment as Parliamentary Under-Secretary. I was very impressed by the work that I saw being carried out there. There is no doubt that this establishment has a world reputation second to none and has forged a partnership with the mining equipment industry which is outstanding in its effect and impact on new technology and techniques, in particular in long wall mining.

I had the opportunity a few weeks ago to visit Australia and to see for myself some of this modern equipment underground. There, 80 per cent. of all new long wall orders are won by British mining equipment companies. Also a few weeks ago, I saw similar equipment being used in Hungary. I had the opportunity to talk to a Trade and Industry Minister in Japan, and he acknowledged that the partnership between Bretby and the mining equipment industry had given British companies a world lead in this important field.

I endorse what my hon. Friend said about the courage of her constituents. In the comparative quiet of the Chamber tonight, it is easy to forget the scenes of violence and intimidation last year when there were many individual acts of courage by miners in her constituency. They fought, not only for the right to work, but for the future of their industry, and we must never forget, as my hon. Friend termed it, their commonsense and coolness.

As the coal industry goes through this period of restructuring and looks ahead to the future, I believe, as I have said many times from this Dispatch Box, that coal has a positive future and that although there will be difficulties, I have no doubt that, with the spirit of the work force and the tremendous advances now being made in productivity, those difficulties will be overcome and that the long-term future for coal is one of expansion and not contraction.

Tonight we are considering the scope of the redundant mineworkers payments scheme, who is eligible for benefit and who is not, and first I shall recall the origins of the scheme. It was in the Coal Industry Act 1967 that the power to make schemes was originally introduced. The present scheme derives from the Coal Industry Act 1977, as amended.

My hon. Friend referred to the legislation. It reflects a recognition by successive Governments that in the circumstances of the coal industry, where pits which have been the mainstay of relatively isolated communities may need to close, bringing to an end the jobs of men who may have spent nearly a lifetime in the industry, there is a need to ensure that more than usually generous redundancy benefits are available.

The scheme has made available benefits beyond those which the NCB could itself be expected to finance and has enabled the board to maintain its policy of not making compulsorily redundant men who wish to stay in the industry. Despite what is happening throughout the industry, there is still no reason to expect any compulsory redundancies to take place.

The primary legislation lays down the fundamental requirements which any scheme must meet, and thus section 7 of the Coal Industry Act 1977 makes it clear that for a mineworker to be eligible for benefit, his redundancy must be in consequence of the closure of a mine, the reduction in the number of persons employed there or the consequent reduction in ancillary services. These requirements are repeated in the secondary legislation, which details the benefits available to men whose redundancy date falls between dates specified.

I shall draw to the attention of the House certain features of those requirements. They do not, and never were intended to, cover all those affected by job losses as a result of restructuring in the coal industry. There are many people in the industry whose jobs may end but who would never meet these conditions. For example, all non-industrial grades fall outside the scheme. Equally, the conditions are not linked to membership of any particular union, and the scheme is intended to cover only those people in industrial grades whose jobs go as a direct consequence of pit closures and related manpower reductions, and who therefore fall within the original *raison d'être* for introducing a special state-funded benefit scheme.

This is not to say anything about the redundancy terms which are or should be available to those in the coal industry whose jobs end but who fail to qualify for RMPS. That is a matter between those affected and their employer, as for employees in other industries. Rather it is to say, as successive Governments have accepted, that only in the special circumstances which the scheme was originally introduced to cover are the differences between the coal mining industry and other industries which may equally be faced with a need for restructuring sufficient to justify special state provision at the taxpayers' expense.

My hon. Friend has explained eloquently why she believes that some of her constituents, industrial workers at the NCB's former mining research and development establishment, now known as headquarters technical department, should be eligible for voluntary redundancy on RMPS terms. Either her constituents' jobs are ending as a direct consequence of closures or manpower reductions at collieries or they are not. There is no question

[Mr. David Hunt]

of her constituents having been arbitrarily excluded from receiving benefits simply because they work at the former mining research and development establishment.

As my hon. Friend knows, the former mining research and development establishment is a "prescribed place" under the 1984 RMPS order and therefore her constituents are, in principle, covered. Equally, they must meet the same requirements as apply to all others if they are to qualify, and their circumstances have to be judged individually against the relevant criteria.

I make no blanket judgment against my hon. Friend's constituents. I observe only that certain mining research and development programmes are ending and that the contraction of effort in this area is not sufficient to show that the jobs are going as a consequence of the closure of pits or job losses at pits.

My hon. Friend knows that industrial staff at the former mining research and development establishment are employed on three main types of work: first, making prototype machines and other equipment in a specialist workshop at the establishment; secondly, maintaining the establishment sites at Stanhope, Bretby and its satellite some four miles away at Swadlincote; and, thirdly, on setting up and carrying out tests on large-scale mining equipment underground at collieries, on the surface and in partially simulated underground conditions.

The number of men engaged on this type of work was increased considerably during the 1970s when a number of programmes were introduced, for example, in relation to the use of improved automatic monitoring and control equipment. Many of them have now been completed or are nearing completion. As a result, the work available is now declining as the board's research and development programmes are adjusted to meet the future needs of the industry, but whether the resulting job losses fall within the terms of the statutory redundant mineworkers payments scheme is a matter of law, not of my discretion. I have no discretion in this area.

Nor are we talking here about some technical amendment to the current RMPS order to rectify an anomaly. Rather, to the extent that my hon. Friend is seeking some general guarantee that her constituents at the former mining research and development establishment will be eligible for benefits under the RMPS, she is asking for a Bill to be introduced to change the fundamental basis of the scheme from that which has been accepted by Parliament for the past 18 years.

It is inevitable that under any scheme determined by legislation there will be some cases that just fail to qualify and some that just qualify. It is equally clear, however, that in any scheme of statutory benefits the class of those entitled must be tied as closely as possible to the underlying intention behind the legislation if the Exchequer is to be properly protected. The more generous the benefits, the more important it is that there should be a clear and proper basis for determining who may benefit.

I remind the House that when the redundant mineworkers payments scheme was first introduced in July 1968, only men aged 55 or over on redundancy were entitled to benefits not exceeding £14.25 per week for up to three years. The first major improvement came in 1973, when three new benefits were introduced: first, a lump benefit for men made redundant between 35 and 55; secondly, a sum equivalent to the prevailing rate of

unemployment benefit following exhaustion of unemployment benefit to age 65, and thirdly Government reimbursement to the NCB of the costs of continuing to provide concessionary coal to redundants.

After a number of years in which only minor improvements were made, in 1980 the lump sum payments were improved and the qualifying age for those payments reduced from 35 to 21. In 1981 the maximum period for payment of basic weekly benefit was extended from three to five years, a lump sum benefit additional to weekly benefit was introduced for men aged 55 to 59 and the lump sum payments to men aged 21 to 54 were further improved. In 1983, weekly benefits, in the form of a pension supplement and unemployment benefit equivalent were introduced for men aged 50 to 54 and further improvements were made to the lump sum payments for those aged between 26 and 46. Finally, in 1984, there was a further substantial improvement in lump sums to men aged 21 to 49, based on £1,000 per year of service.

We now have possibly the most generous scheme that has ever been seen in this country or in the Community. My hon. Friend was right to refer to that. I make no apology for it, as I believe that men who spend a lifetime in the mining industry deserve these payments, particularly those who work at the coal face. My hon. Friend asked about her constituents, who have given a lifetime of service to the industry, and who, by their very endeavours have made possible major export orders for maintenance and improvement of job prospects in the mining equipment industry, and the better health of the industry as a whole.

I point out to my hon. Friend that when the scheme was originally introduced, careful thought was given to the extent to which it should be deployed to cover other groups. Because of the generous nature of the benefits made available, it was decided, under the primary legislation, to restrict it to the category, to which I and my hon. Friend have already referred, set out in section 7:

"For the purpose of providing assistance to persons made redundant by the closure of coal mines".

Men can receive extremely generous benefits.

Younger men can receive lump sums of up to £33,000 and older men total weekly benefits which may exceed a £100 per week, plus lump sums. In asking taxpayers to meet the costs of benefits at this level it is right, as far as possible that the availability of benefits should be restricted to those whose particular circumstances meet those that justified the need for special Government support beyond that available in other industries. I fear that I cannot accept that my hon. Friend has shown that the present legislation leads to such unacceptable anomalies or serious injustices that the fundamental basis of the legislation must be changed. I think that my hon. Friend recognises that any change to be made in the scheme would have to be made in primary legislation, although, as she is aware, from time to time statutory instruments are introduced that deal with the details of the scheme. It would not be possible for such a statutory instrument to encompass the fundamental change that she is urging on me.

Mr. Andy Stewart (Sherwood): Supposing the constituents of my hon. Friend the Member for Derbyshire, South (Mrs. Currie) moved from the research centre to a pit and were subsequently made redundant, would their length of service be uninterrupted, or would

there be a break in service? How would it be considered in the industry, if they transferred to a coal pit before being made redundant?

Mr. Hunt: If at the time of the redundancy the individuals qualified under the conditions clearly set out in the scheme, and were made redundant by the closure of the coal mine where they were then working, they would be entitled to payments under the redundant mineworkers' payment scheme. That is clear. My hon. Friend is already pointing to the necessity of making the legislation absolutely clear. The way in which that is done is by looking at the place of employment together with the other conditions that are necessary to prescribe qualification.

Mr. Allen McKay (Barnsley, West and Penistone): The Minister referred to men at the mining research and

development establishment, which is accepted as being industrial. If it is decided to close the establishment because of the rundown of collieries in the area, will they be eligible under the scheme?

Mr. Hunt: That is a matter for the coal board to raise with my Department. It may well be that there are other possibilities.

I shall consider carefully all the points raised by my hon. Friend the Member for Derbyshire, South—and the point that the hon. Member for Barnsley, West and Penistone (Mr. McKay) has just raised—just as I have on the many other occasions on which my hon. Friend has raised these important matters.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Twelve o'clock.

CONFIDENTIAL

JKW



10 DOWNING STREET

From the Private Secretary

18 November 1985

RESTOCKING OF CEGB POWER STATIONS

The Prime Minister was grateful for your Secretary of State's minute of 15 November reporting the stock position at CEGB power stations. She agrees that the restocking has been a very creditable achievement.

(DAVID NORGROVE)

Roger Levett, Esq.,
Department of Energy.

CONFIDENTIAL

RM



26
~~CCBA~~

Prime Minister 1

PRIME MINISTER

Agree that this is
a creditable achievement?

DRS
15/11

Yes no

RESTOCKING OF CEGB POWER STATIONS

Stocks at CEGB power stations by 27 October were 22.6 mt and had reached over 22.8 mt by 3 November. Stocks should continue to rise through November and this has given us a firm foundation for the winter.

I believe that this is a most satisfactory achievement and reflects great credit on both the CEGB and the NCB. I have conveyed to the two chairmen the Government's appreciation of their efforts.

Best Calls

Do you want
me to write
to anyone? - 65
Say appreciation
of chairman?
M

SECRETARY OF STATE FOR ENERGY

15 November 1985



CONFIDENTIAL



Wle
cc BG ✓

10 DOWNING STREET

From the Private Secretary

15 November 1985

EMLEY MOOR

The Prime Minister was grateful for the reports about the Emley Moor discussions given in your letter to me of 29 October and Geoff Dart's letter of 17 October. She is glad to know that the Chairman of the NCB is keen for the Board to look constructively at all the available options.

DAVID NORGROVE

Roger Levett, Esq.,
Department of Energy

CONFIDENTIAL

Wle

CONFIDENTIAL

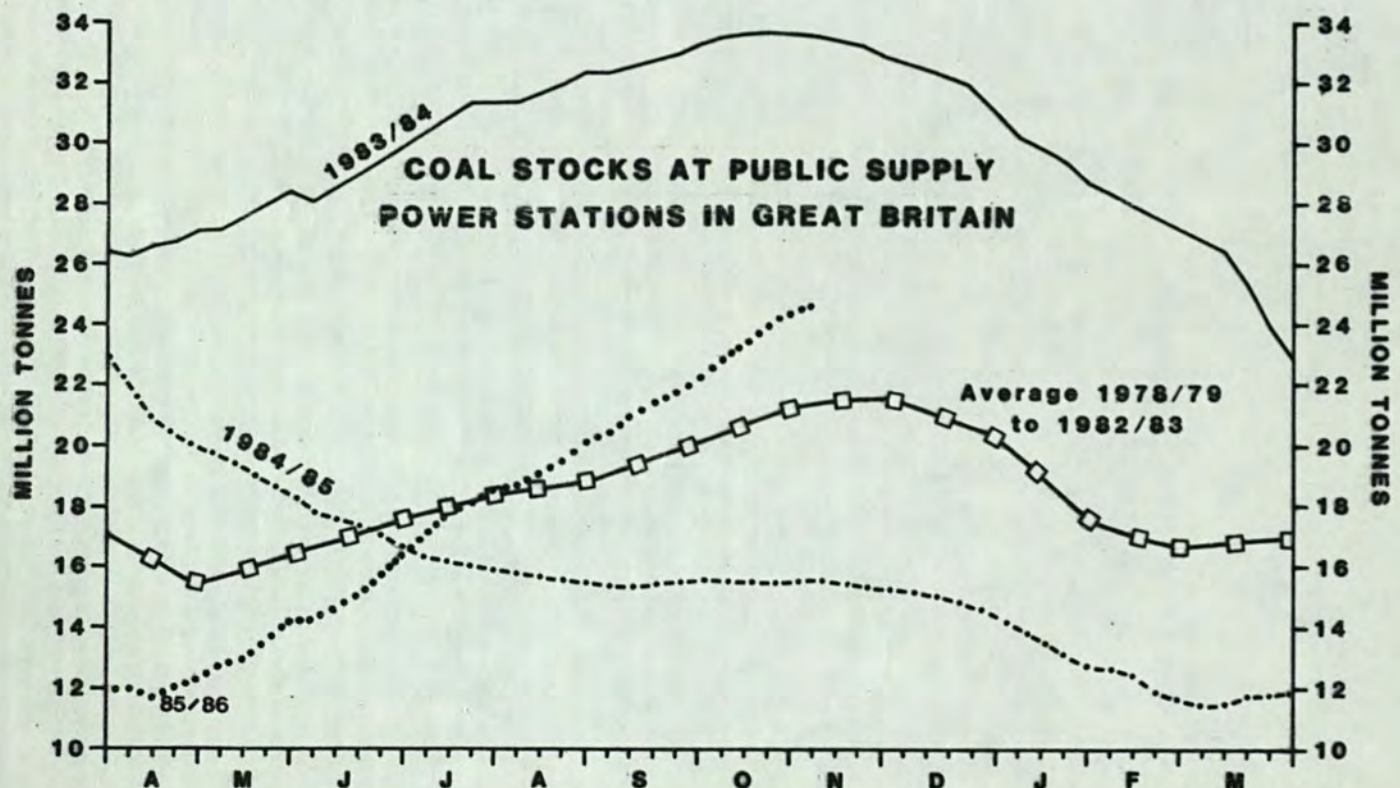
WEEKLY COAL AND POWER STATION STATISTICS (1)

EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1P 4QJ phone 01-211-4368

15 NOVEMBER 1985

Week ending.....		5.11.83	3.11.84	12.10.85	19.10.85	26.10.85	2.11.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	1.98	0.56	1.95	1.98	1.95	1.99
	opencast+	0.33	0.29	0.32	0.36	0.41	0.34
	TOTAL	2.30	0.85	2.27	2.34	2.35	2.33
C O A L	PRODUCTIVITY(2) (tonnes/manshift)						
	'overall'	2.38	2.49	2.83	2.88	2.84	2.88
	'production'	9.97	12.04	12.26	12.44	12.25	12.57
	UNDISTRIBUTED STOCK (m.tonnes)						
	TOTAL	24.54	21.51	10.49	10.26	10.00	9.98
P O W E R	COAL STOCKS (m.tonnes)	33.55	15.60	23.46	24.00	24.42	24.65
	COAL CONSUMPTION	1.70	0.62	1.51	1.56	1.64	1.77
	COAL RECEIPTS	1.61	0.73	2.08	2.10	2.06	2.01
S T A T I O N S	OIL STOCKS(3)	1.42	1.19	1.06	1.06	1.05	1.00
	OIL CONSUMPTION(3)	0.05	0.59	0.04	0.04	0.06	0.07
	OIL RECEIPTS(3)	0.06	0.57	0.06	0.04	0.05	0.03
	ELECTRICITY SUPPLIED(4) (Gwh)						
	Nuclear	725	851	899	890	844	791
	Other Steam	3,952	3,714	3,536	3,692	3,968	4,335
	TOTAL	4,677	4,565	4,435	4,581	4,812	5,126
	TOTAL, temperature corrected	4,741	4,806	4,462	4,567	4,716	4,808

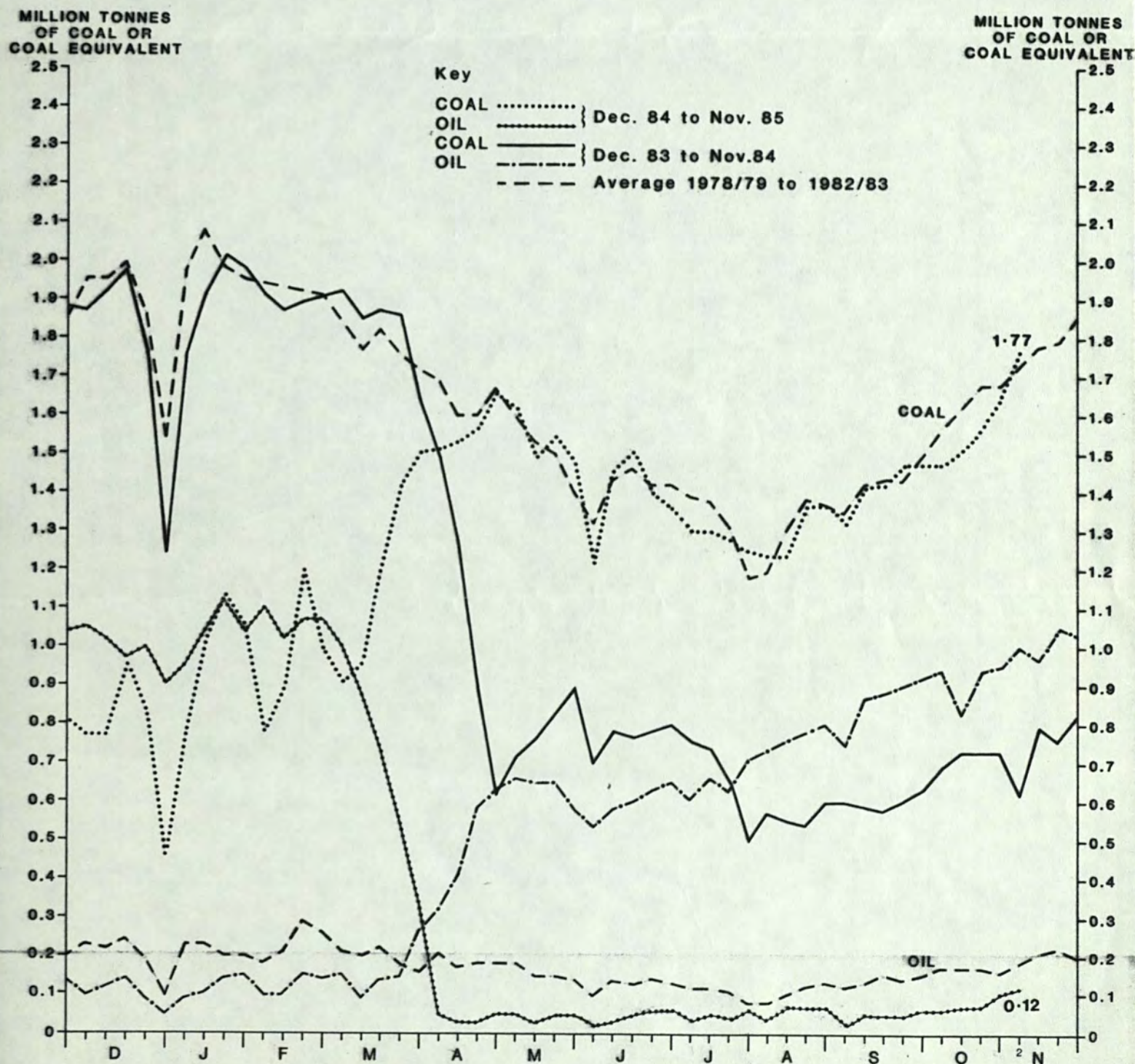
(1) Great Britain unless otherwise stated. All latest figures are subject to revision. (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only. +includes licensed production.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL



10 DOWNING STREET

Prime Minister 1

The NC B seem
generally to be trying to
be helpful to the
Emley Floor members.

Agree to write as
proposed?

DRH
14/11

I should leave
out the WRO's point
unless we have worked
it out more clearly

me

CONFIDENTIAL

cc: [unclear]



*Prime Minister 2
To write this letter
And the one below.*

Treasury Chambers, Parliament Street, SW1P 3AG

*DHS
13/11*

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

13 November 1985

Dear Peter,

ms

COALMINING MANUALS' PAY NEGOTIATIONS

File with DN

Thank you for your letter of 5 November.

The NCB clearly have a number of objectives in the negotiations with the UDM. But I do wonder if we should not be seeking to get a tighter grip on these negotiations. Offers of unspecified extra bonuses which appear to have been made on top of the offers on basic rates and the basic shift bonuses are worrying. It is not clear what part they have played in the negotiations. I also have doubts about the wisdom of the attendance bonus and cannot see how it will be self-financing if it relates to attendance in 1985.

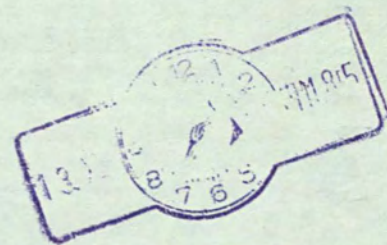
I note the position reached with the NUM. It would be helpful to know before an offer is made whether the NCB envisage a pay increase for the NUM which will be significantly different from the UDM.

I am copying this letter to the Prime Minister, E(PSP) members and Sir Robert Armstrong.

Yours,
JH

JOHN MacGREGOR

CONFIDENTIAL



CONFIDENTIAL

cc B/G



Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299
7471

²
13 November 1985

The Rt Hon John MacGregor
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
LONDON
SW1

Pamie Hunter²
to write.
DRS
13/11

D John

COAL MINING MANUALS' PAY NEGOTIATIONS

Peter Walker copied to me his letter to you of 5 November.

The idea of an attendance bonus clearly presents difficulties; if the "defined period" makes the bonus retrospective, then it cannot convincingly be presented as an incentive; the loyalty bonus aspect then comes to the fore. As such, it is a transparent device and will be attacked as a strike-breakers reward; it may well be counterproductive so long after the strike. In any case, I would have thought it unwise to get into conflict with the UDM on this.

I am copying this letter to the Prime Minister, members of E(PSP) and to Sir Robert Armstrong.

[Handwritten signature]

NORMAN TEBBIT

attached.

NAT IND : Coal : PE 18



Petition

British Steel

10.15 pm

Mr. Tom Clarke (Monklands, West): On behalf of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) and myself, I wish to present a petition which has been given to us by our constituents and others in response to the astonishing decision taken during the parliamentary recess by British Steel to announce the closure of Gartcosh works and indeed to confirm its lack of faith in the future of Ravenscraig by refusing adequate investment in that plant.

Our constituents, the people of Scotland generally and indeed many others who see the steel industry as being essential to our manufacturing base support the petition and the cause of Gartcosh and Ravenscraig:

Wherefore your petitioners pray that your honourable House do urge the Secretary of State for Trade and Industry and the chairman of the British Steel Corporation to reconsider the decision to close the BSC plant at Gartcosh and to make the necessary new investment to secure the long-term future of the Gartcosh-Ravenscraig complex.

And your petitioners, as in duty bound, will ever pray.
To lie upon the Table.

Darfield Main Colliery

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

10.17 pm

Mr. Terry Patchett (Barnsley, East): May I express my gratitude for the opportunity to raise this matter on the Floor of the House? Although I am aware that Darfield Main colliery is the subject of the review procedure between the National Coal Board and the appropriate trade unions, there are certain aspects of which the Minister should be made aware.

Darfield Main is a mine with which I have had close associations for many years. Indeed, I was present at the negotiations when the Silkstone seam was added to the reserves of Darfield Main from Houghton Main, with assurances of at least 15 years of extended life. With the committed investment at Darfield Main of some £28 million, there opened up a potential of 1 million tonnes in the Winterbed seam where headings were already laid out. The 250,000 tonnes in the Melton Field seam took the potential life of Darfield Main to well over 20 years. However, those arguments will no doubt be put forward by the relevant trade unions in the review procedure.

Being experienced in negotiations with the NCB I am aware of the Government's influence over the NCB. It is to that that I wish to draw the attention of the House. During the miners' dispute, which is generally accepted by political commentators as having been perpetrated on the country by the Government, I wrote to the Secretary of State about the future of Darfield Main.

Darfield Main's future lies with heavy investment in the Silkstone seam which connects to the Cortonwood reserves of the same seam. The then branch secretary of the union, Walter Swift, had written to me expressing concern about the future of Darfield Main in view of the fact, stated many times, that the NCB could not sell Cortonwood coal. We are all familiar with the history of Cortonwood.

I wrote to the Secretary of State and he passed my letter on to Mr. Ian MacGregor, chairman of the National Coal Board. I expressed concern about the future of Darfield Main and Houghton Main collieries, which mine the same seam. In response, Mr. MacGregor assured me—he was writing during the strike—that

"Darfield Main and Holton Main collieries have substantial reserves, and, unlike Cortonwood, produce coal from other seams as well as the Silkstone.

These two pits are part of the south side washery complex, centred on Grimethorpe colliery and they have benefited substantially over recent years from the board's massive programme of capital investment under plan for coal. Both pits now have a complete new underground infrastructure, with streamlined operations for men, material and mineral handling, at low cost.

The coal mined from these collieries (including that from the Silkstone seam) will form part of a comprehensive blend to produce a low cost product, suitable for both industry and power stations."

That letter was written during a different climate, but given Mr. MacGregor's assurance one can readily understand my amazement when a proposal to close Darfield Main was announced within only four or five weeks of the end of the dispute, after such a glowing reference. I am aware of the dirty tactics used by the board and the Government during the dispute, which misled

[Mr. Terry Patchett]

public opinion so gravely, but an attempt to mislead a Member of the House in such a way by the chairman of a nationalised industry is intolerable behaviour.

When I heard of the proposed closure, I immediately wrote to Mr. MacGregor requesting a meeting to discuss the matter. I was entitled to do so following the assurances that I received during the dispute. He replied by saying that his office was arranging for me to meet the area director of Barnsley area, Mr. Frank Ramsden, so that the present position could be explained, although it was Mr. MacGregor who sent the initial letter. I immediately contacted Mr. Ramsden's office by telephone. I have known Frank Ramsden personally for many years. However, his secretary told me that he was out that day and going on holiday the following day. I made that contact on my initiative—nothing came from the coal board, regardless of promises.

That happened in the middle of July. From that time to this there has been no attempt to contact me by letter or telephone. In fact, that part of the Barnsley area of the NCB no longer exists as it is now under the auspices of the north Yorkshire area director, Mr. Albert Tuke, who has not contacted me either.

I feel strongly that I have been treated with contempt by the chairman of a nationalised industry. Anyone treating a Member of the House in such a contemptuous manner is treating the House itself with contempt. I am satisfied in my own mind that Mr. MacGregor feels that he does not have to justify writing off £28 million of public money to a duly elected Member of the House. I wish to take up that line of thought with the Minister because I feel strongly that that attitude has been encouraged by the Government. The Government have been and are prepared to write off many millions, indeed billions, of pounds during the dispute, to pursue their political dogma. Had the Government been prepared to spend half as much money in creating markets for coal as they have spent in union bashing, I am sure that the NCB would be in a much sounder position today.

I also regret that the Government's arrogance has infiltrated local management. Indeed, Mr. Griffin, the manager of Houghton Main, makes repeated calls to the work force for co-operation, but that is only in public. The work force are members of the National Union of Mineworkers. Away from the public eye, Mr Griffin tells union officials that he is looking for a way to sack them—that is the branch officials, of course. What a way to run an industry.

To return to the major reason for bringing this matter to the attention of the House, I feel that the NCB is in a dilemma because the Government have no clearly defined energy policy. Is it not ironic that the coal board is turning down coking coal export orders to the tune of 2 million to 3 million tonnes to Rumania and a possible 3 million tonnes, going up to 1990, from Denmark; and I am reliably informed of Irish interests preferring British coal to American. I am speaking of coking coal which is the backbone of the Darfield Main colliery—the coking coal that the board could not sell from Cortonwood when it started this trouble.

It is to this dilemma that the Government contribute. For example, the main argument which contributed to the costly mining dispute concerned reserves. Since the strike, this has turned into a question of economics, meaning that

even a pit with reserves has no guaranteed future. Darfield Main, with its 20 years' reserves, was set an economic target of £42 per tonne. It had almost achieved that aim and was suddenly told, "You cannot score goals. We are moving the net. We are dropping it to £38 per tonne." It is a ridiculous way to run a business.

I must ask the Minister to come clean on the Government's policy for the energy industry. It really is time that he did so. I feel confident that the Government do not have too much of an interest in the electricity generating industry for sales because of their obvious enthusiasm for nuclear energy. It seems clear that the recent reorganisation of the coal board areas is leading up to a sale of lucrative pits such as Selby and the Vale of Belvoir, with its thick seams, not necessarily with a view to competing in the electricity generating industry but with an eye to the potential market in the gas industry. It is quite well known that by the year 2010 the gas board will require as much as 100 million tonnes of coal for conversion purposes when those wasted assets in the North sea have gone, when the Government have done with the easy meat.

I ask the Minister, therefore, to give a direction to the board, indeed to the country, by declaring quite clearly and specifically their energy policy. It cannot be so difficult a task when we realise that 2010 is only 25 years away. Until the Minister comes clean on this, the work force will always face the dilemma of not knowing where its future lies. Like Darfield Main, many more pits will face apparently desperate searches for reasons to close them. The reasons vary from week to week. One used to be worked-out reserves. Now it is economics. This is what the coal board is now indulging in. It cannot even find a genuine reason for closing pits.

I ask the Minister to do his duty to the country by spelling out his policy honestly and clearly. We want to know how many more millions of pounds the Government are prepared to write off and how much more of the coal industry will be destroyed before the Government's targets are satisfied.

10.28 pm

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): I acknowledge that there can be few Members of the House better qualified to speak on this subject than the hon. Member for Barnsley, East (Mr. Patchett), with his background as a craftsman at Houghton Main and as a long-standing delegate for the National Union of Mineworkers. I fully appreciate the concerns which have led him to raise this matter tonight.

Colliery closures, particularly in areas of high unemployment, must be of concern to us all. I have pointed out to the House on many occasions that the closure of individual pits is a matter for the National Coal Board in consultation with the unions. I know only too well from experience in my constituency on Merseyside the problems that are caused by high levels of unemployment. However, the hon. Gentleman has not chosen a particularly appropriate occasion to raise this matter for the first time in the House.

The area director of what was at that time the NCB's Barnsley area first proposed the closure of Darfield Main, as the hon. Gentleman knows, at a general colliery review meeting on 16 May of this year, after the strike. Under the terms of the colliery review procedure, a reconvened

colliery review meeting was held on 20 June, when the unions indicated their wish to appeal against the proposal. That appeal was heard on 7 November, last week.

As always, the NCB has assured me that it will give serious consideration to the case that has been put forward by the unions. I understand that all three major unions—the NUM, NACODS and BACM—have appealed on this occasion. The House would not want the NCB to make a quick decision on a closure which will affect about 600 of the board's employees living in or around the hon. Gentleman's constituency. I understand that a full meeting of the NCB is expected to consider the unions' appeal at a meeting on 6 December.

The hon. Gentleman made a number of allegations, of which I had no prior notice, against the NCB and its chairman—and I mean no criticism of him for that—but the specific details of assurances given by the chairman must be a matter for the hon. Gentleman to take up with the chairman direct. *[Interruption.]* Naturally, I shall bring the hon. Gentleman's remarks immediately to the attention of the chairman of the NCB, but on this matter I know that the director, Albert Tuke, has every confidence in his relationship with local Members, and I hope that the hon. Gentleman has a sufficiently good relationship with Mr. Tuke to be able to approach him direct on these crucial matters.

The hon. Gentleman will be aware that for some months the NCB and the mining unions have been discussing the implementation of the modified colliery review procedure. Following a meeting on 30 October, that procedure is at last in place. Should last week's appeal prove unsuccessful, the unions will have the option to take their case to the new final stage of the procedure. For the first time, this provides an independent element in the consideration of proposed pit closures in that a panel of eminent barristers sitting alone in rotation will consider the views of both sides of the industry and make a completely impartial recommendation.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): Does the Minister agree that there is evidence that since the end of the strike the pit closure programme has become more rapid than before the strike appeared to be the intention? For example, in my constituency pits such as Ackton Hall and Fryston have been closed when they were originally not on the hit list. Millions of pounds had been invested in them. Indeed, at Ackton Hall just prior to the strike a brand new office block complete with canteen as built. Is it now a case of the victor taking the spoils? In other words, will the industry be run down more quickly because one side thinks it won the strike?

Mr. Hunt: I shall be responding to that question in the context of replying to the general points that have been made.

As the question of the possible closure of Darfield Main is still only at the stage of being considered by the board, and should the appeal prove unsuccessful it has the further stage of the independent review body still before it, it would not be right or proper for me to comment in detail tonight on the pit itself. It would be wrong for me to interfere in the process that I have described. It is a matter for the mining unions to discuss with the NCB direct.

I shall, however, respond to the more general remarks about the coal industry. I start by reminding the House of our commitment to the coal industry and the massive

support that we have given in the last six years, support which, despite the longest and most damaging industrial dispute the nation has ever seen, has enabled the miners to remain as some of the highest paid in the industrial pay league. That support has ensured that during the massive and long-overdue restructuring that is now taking place no man has been forced to leave the industry, and those who have chosen to leave have done so on the most extraordinarily generous terms. Government support has led to the creation of National Coal Board Enterprise Limited, which not only brings new industry into mining areas but gives men who worked in the coal mining industry a fresh start to use their redundancy money in creative and imaginative ways.

Mr. William O'Brien (Normanton): Will the Minister tell the House what the Government and the coal board are doing to follow up and develop markets for the sale of British coal? This question was raised by my hon. Friend the Member for Barnsley, East (Mr. Patchett). What are the Government and the NCB doing to win the overseas markets which many of us are convinced are available?

Mr. Hunt: When the Government came to office in 1979, Britain was a net importer of coal. In the period just before the strike we had become a net exporter of coal. That does not square with the hon. Gentleman's remarks. I am trying to avoid responding to party political points because this is not the time to rehearse the old political arguments about the strike. However, because of the politically damaging dispute, we have again become a net importer of coal. I share the hon. Member's and the House's resolve to recapture the markets for coal, but it will be impossible to do so if coal is uncompetitively priced.

Mr. Alec Woodall (Hemsworth): It is all very well for the Minister to talk about political response. Is he aware of the colliery just two miles from my home with which the Government have had many dealings? Kinsley Drift colliery has been open for only five years and is now on the hit list to be closed. That five-year-old colliery broke records when it opened, despite the fact that it began with a fatal accident in which two men were killed. It is a brand new pit which is now on the hit list after only five years, despite the Government's commitment. What chance have the older pits that were sunk a century ago and have been working ever since if a pit that is only five years old is on the hit list because the capital charges placed on it by the Government have forced it to close for economic reasons?

Mr. Hunt: Any proposal for a pit closure must go through the review procedure. There is now every opportunity for the unions, if they wish to oppose the closure, not only to go through the old procedure stage by stage but to involve the independent element. The best place to argue about the future of a pit is within the procedures laid down in consultation with the NCB and the mining unions, not in the Chamber.

My remarks about National Coal Board Enterprise Ltd. are in no way intended to establish that the Government have an immediate answer to the problems of mining communities facing pit closures. However, it has made an impressive start. In its first year of operation, the company has created 2,700 jobs and has given direct assistance to 188 projects in the service and manufacturing industries. It has taken over disused NCB properties and created

[Mr. Hunt]

managed workshops where people are going into business for the first time. They have access to shared services and a wealth of advice and guidance on financial, administrative and marketing problems. In addition, the company is working closely with new and existing enterprise agencies, and is providing funds to the tune of £750,000 a year. Staff are being seconded to those agencies from the National Coal Board.

Mr. Dennis Canavan (Falkirk, West): How many jobs have been destroyed in the mining industry since the Tory Government took power?

Mr. Hunt: The direct answer to the hon. Gentleman's question is that the Government have no part in destroying jobs in the mining industry—

Mr. Canavan: Answer the question.

Mr. Hunt: The direct answer is that the Government have no part in destroying jobs in the mining industry.

Mr. Canavan: It is a simple question; answer it.

Mr. Hunt: The Government are in the business of providing a positive future for coal by putting record investment into establishing—

Mr. Canavan: How many jobs have been destroyed in the mining industry since the Tory Government took power?

Mr. Hunt: I am saying that the Government have destroyed no jobs in the coal industry. I cannot give the hon. Gentleman a more direct answer than that. But, of course, he will never be satisfied, because it does not accord with his political views, which paint me as someone who is trying to decimate the coal industry. On the contrary, the Government have a positive attitude to the future of coal. Of course, there will be difficulties, but I believe that those difficulties can be overcome. Provided that we can regain confidence in coal, it has a tremendous future in Britain.

Mr. Andy Stewart (Sherwood): Cannot the answer to getting cheaper coal be found in my constituency, where week after week miners are breaking production records?

Mr. Hunt: My hon. Friend paints the correct picture. I have been underground at six pits in the past few months, and I have discovered at the coal face a determination to make coal a competitive fuel. The hon. Member for Barnsley, East asked me about the Government's energy policy. It is simple. We are proud and fortunate to have all the main sources of energy: oil, gas, nuclear fuel and coal. Our energy policy is to keep each option active and developing, none more so than coal. There is a positive future for coal.

Mr. Allen McKay (Barnsley, West and Penistone): The Minister believes that to be a positive attitude, but why is Darfield Main to be closed when it conforms with the board's criteria on breaking even, which is that it should cost less than £39 a tonne to produce coal?

Mr. Hunt: I can readily answer the hon. Gentleman. There is no solution to unemployment in keeping open pits that cannot produce coal in a manner beneficial to the industry or to the nation. I do not prejudge Darfield Main, because its proposed closure is still going through the

review procedure. It is for the coal board and the mining unions, in consultation, to determine the future of the pit. But the support of grossly uneconomic capacity has cost the taxpayer enormous sums of money in recent years. The Government refuse any longer to draw a blank cheque in support of the industry on the taxpayer. Of course, the NCB must put its house in order. To do that, and to be able to face the future as a healthy and competitive industry, it is vital that it should close capacity which cannot make a positive contribution.

Mr. Eddie Loyden (Liverpool, Garston): The Minister has talked many times about his concern for the unemployed in my region, with which he is closely associated, and he will be aware of the closure of mines in his constituency. What is his view of the Lancashire mines? He has argued vociferously in the House about unemployment in the area that he represents. He does he square that with the closure of mines in Lancashire?

Mr. Hunt: It is clear that the Government want a viable, economic coal industry. With the majority of investment going into existing rather than new pits, the industry has every opportunity to prove itself and individual pits have the chance to reach productivity targets.

We must not lose sight of the subject of this debate. The hon. Member for Barnsley, East cannot argue, as he conceded, that the remaining reserves at Darfield Main will be lost. I understand that they are easily accessible from the neighbouring colliery, and that all those currently employed at Darfield Main will be given the opportunity to remain in the industry if they wish, or to leave on generous redundancy terms. If there are other technical or economic arguments against closure, the proper place to air them is in the colliery review procedure.

Mr. Patchett: Is the Minister aware, when he talks about accessibility to neighbouring pits, that I have worked in the same seam and am quite familiar with it? The neighbouring seam is Houghton Main Colliery. Economic difficulties arise because of the distance men have to travel from the pit bottom to the seam. Darfield Main is closer to the pit bottom and fewer man hours are therefore required.

Mr. Hunt: I am helpless when the hon. Gentleman makes such points because, as I have acknowledged, he knows the area better than any other hon. Member. I have listened carefully to him and I am sure that what he has said will be taken into account in the procedure.

Mr. Woodall: It is all very well for the Minister to talk about a healthy, viable coal industry but is he aware that in Yorkshire alone, since the strike ended in April, 18,500 men have been made redundant? Viability is now so bad that every man at every pit in my area is talking about the future and the lid going on that pit. I can tell the Minister of a brand new pit—it is only five years old—which is now in danger under the review procedure. What about the other pits? It is all very well to talk about viability, but who decides what is viable?

The break-even point started at £42 a tonne and is now down to £38 a tonne. How long will it be before it is £36 a tonne and most pits are in danger?

Mr. Hunt: The hon. Gentleman has begun to answer his own question. The viability of these pits depends upon their ability to produce coal at a competitive price. The

redundancies he has spoken about are voluntary under this Government. Often under Labour, they were compulsory. Under this Government there is an enterprise company ready to breath new life into declining areas. Under Labour, there was no enterprise company.

Mr. Lofthouse: I am sure that the Minister is not deliberately misleading the House when he speaks about redundancies under the Labour Government. I was

involved in the NCB's administration of pit closures under the Labour Government, when the NCB did not make men compulsorily redundant.

Mr. Hunt rose—

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

Adjourned at thirteen minutes to Eleven o'clock.

cc BG

Pamie Winter 2
To wife,

01 211 6402

DW
6/11

John MacGregor Esq OBE MP
Chief Secretary
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

ms

5 November 1985

[Handwritten signature]

ms

COALMINING MANUALS' PAY NEGOTIATIONS

I wrote to you on 25 October about the NCB's negotiations with the mineworkers. This letter reports the latest developments.

Notts and South Derby

The NCB have offered the UDM a flat-rate increase of £5.50 a week on grade rates (which the Board assess as equal to 4.2% on basic rates, or rather less on earnings) plus an increase of 50p a shift in the basic level of the incentive bonus. The Board estimate that this is worth 1.8% on earnings.

The NCB have told the UDM leaders that they are considering making improvements in the following areas:

- (i) for production workers, an increase in bonus rates related solely to actual output;
- (ii) for other workers, bonuses related to improvements in output per man shift and cost per gigajoule at their pit;
- (iii) an attendance bonus related to attendance during some defined period (the basic aim seems to be to reward those who worked during the strike).

The NCB have not made any offer in the areas outlined in the preceding paragraph; indeed, they have not worked out their own ideas, which are still in the process of change. Their original intention had been to impose the improvements without negotiation. However, they now believe that they will have to be prepared at least to discuss the attendance bonus with the UDM leaders: there is some suggestion, in fact, that the "loyalty bonus" aspects of the Board's ideas may be unwelcome to the UDM.



The workforce in Notts (and probably South Derby) is due to ballot on the Board's offer on Friday 8 November. The Board hope to have worked out and presented the details of the attendance bonus scheme before that; but they see no realistic prospect of having the remaining improvements worked out. The Board insist, however, that any improvements will be self-financing.

National NUM

The NCB met the NUM on Friday 1 November. They made no formal offer, though there was some informal suggestion of an increase of 30p a shift in the basic level of the incentive bonus. The main element in the Board's position was to demand a written commitment from the NUM regarding willingness to co-operate in measures to improve productivity. Until such a commitment is forthcoming, the Board do not intend to make a formal offer to the NUM.

The NUM Executive is understood to be meeting this week to consider its response to the Board's demand. Meanwhile, no further negotiating meeting has been fixed between the NUM and the NCB.

I am sending copies of this letter to the Prime Minister, the members of E(PSP) and the Secretary of the Cabinet.

A handwritten signature in dark ink, appearing to read 'Peter Walker', written in a cursive style.

PETER WALKER

NAT IND
COAL
PT 18



CONFIDENTIAL

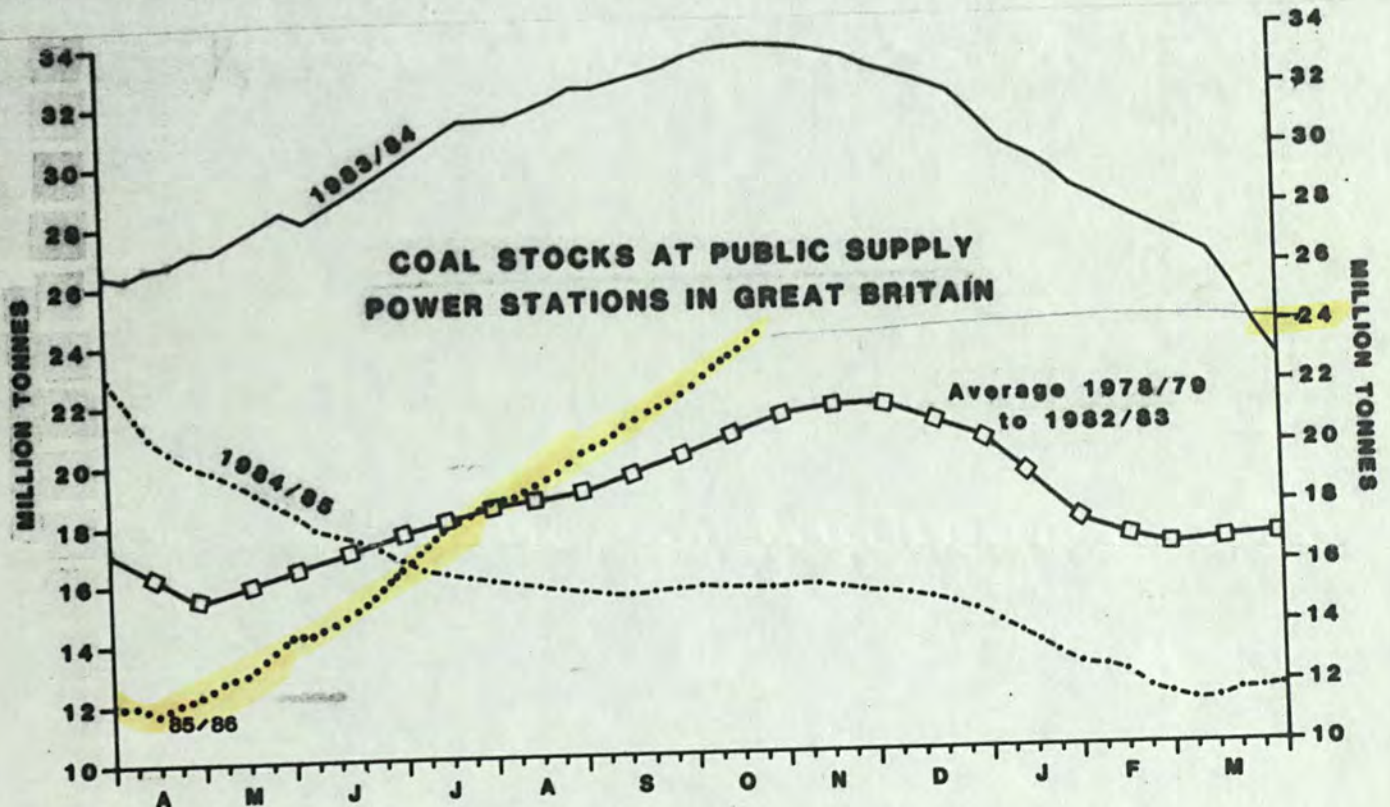
Page Number 2
DRS

WEEKLY COAL AND POWER STATION STATISTICS (1)
EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1P 4QJ. phone 01-211-4368

1 NOVEMBER 1985

Week ending.....		22.10.83	20.10.84	28.9.85	5.10.85	12.10.85	19.10.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	2.12	0.56	1.86	1.94	1.95	1.98
	opencast+	0.29	0.30	0.36	0.31	0.32	0.36
	TOTAL	2.51	0.86	2.22	2.25	2.27	2.34
	PRODUCTIVITY (2) (tonnes/manshift)	'overall' 2.64	2.39	2.77	2.83	2.83	2.88
		'production' 11.05	11.45	11.83	12.09	12.26	12.44
	UNDISTRIBUTED STOCK (m.tonnes)						
	TOTAL	24.29	21.81	10.80	10.75	10.49	10.26
P O W E R	COAL STOCKS (m.tonnes)	33.71	15.52	22.29	22.88	23.46	24.00
	COAL CONSUMPTION	1.57	0.73	1.47	1.47	1.51	1.56
	COAL RECEIPTS	1.63	0.73	1.95	2.06	2.08	2.10
	OIL STOCKS (3)	1.40	1.17	0.95	1.05	1.06	1.06
	OIL CONSUMPTION (3)	0.07	0.55	0.04	0.04	0.04	0.04
	OIL RECEIPTS (3)	0.07	0.44	0.09	0.13	0.06	0.04
S T A T I O N S	ELECTRICITY SUPPLIED (4) (GWh)						
	Nuclear	787	783	723	789	899	890
	Other Steam	3,767	3,715	3,445	3,441	3,536	3,695
	TOTAL	4,554	4,498	4,168	4,230	4,435	4,584
	TOTAL, temperature corrected	4,417	4,552	4,312	4,471	4,462	4,570

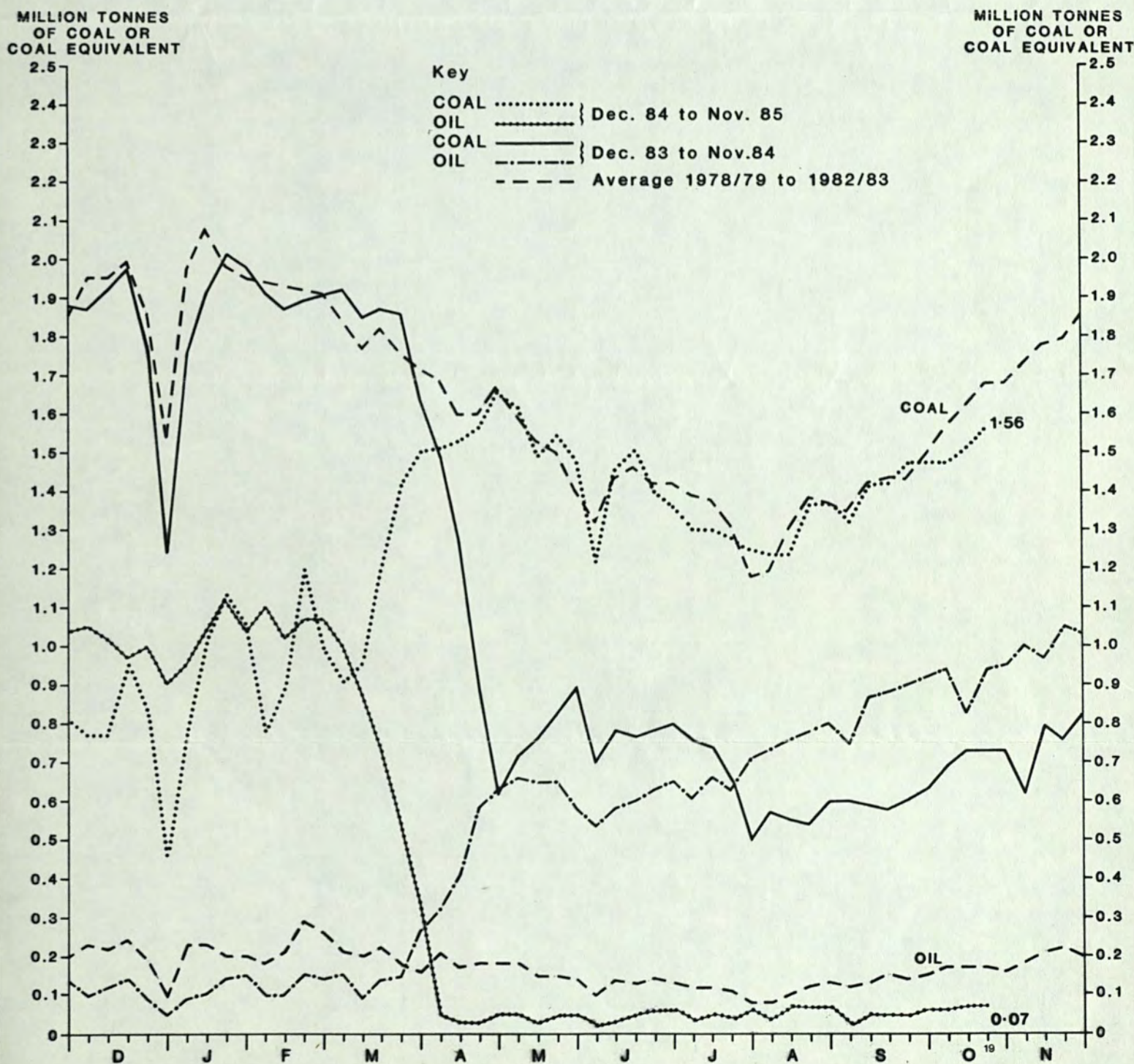
(1) Great Britain unless otherwise stated. All latest figures are subject to revision. (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only. +includes licensed production.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL

CONFIDENTIAL

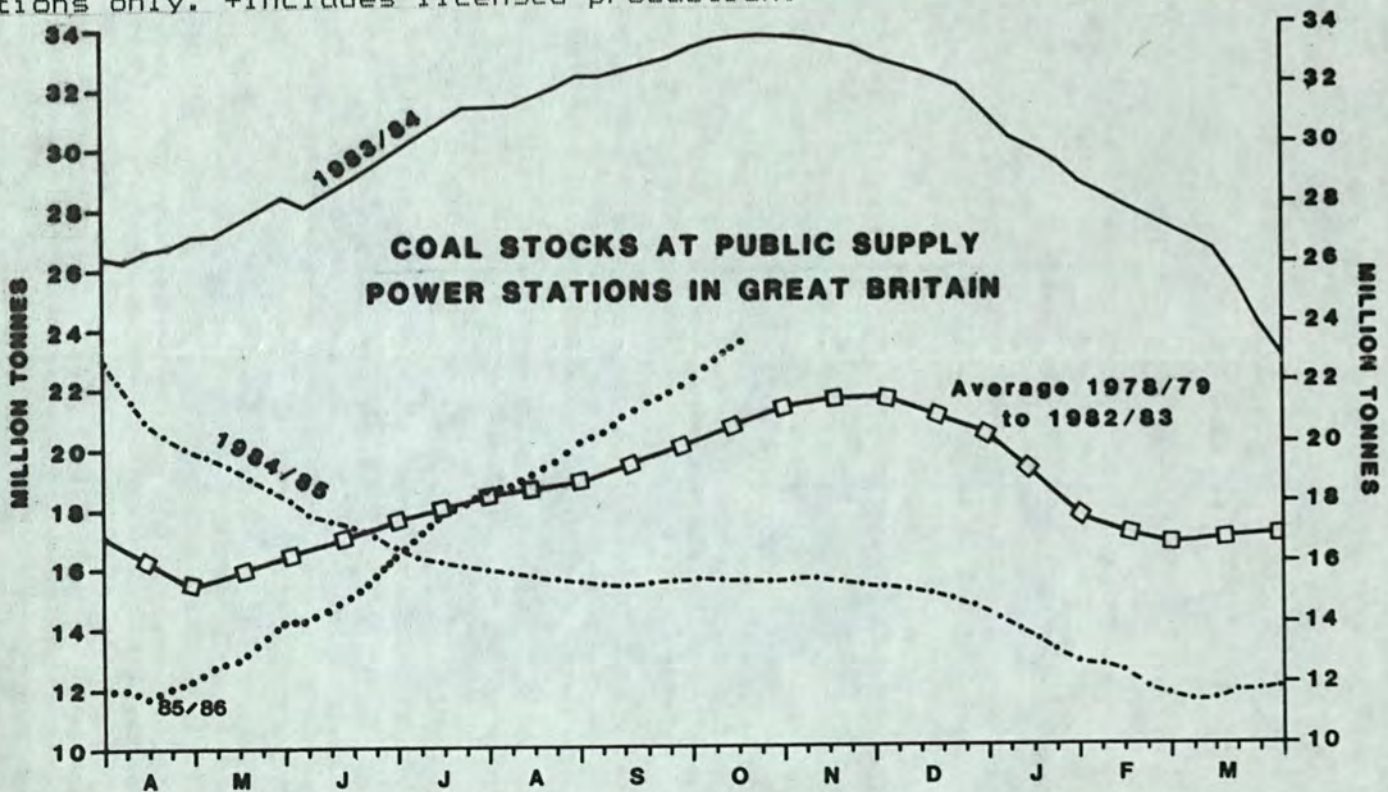
WEEKLY COAL AND POWER STATION STATISTICS (1)

EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1P 4QJ. phone 01-211-4368

25 OCTOBER 1985

Week ending.....		15.10.83	13.10.84	21.9.85	28.9.85	5.10.85	12.10.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	2.21	0.53	1.87	1.86	1.94	1.95
	opencast+	0.30	0.31	0.31	0.36	0.31	0.32
	TOTAL	2.52	0.84	2.17	2.22	2.25	2.27
C O A L	PRODUCTIVITY (2) (tonnes/manshift)	2.61	2.37	2.80	2.77	2.83	2.83
	'overall'	10.88	11.33	11.76	11.83	12.09	12.26
	UNDISTRIBUTED STOCK (m.tonnes)	24.05	21.92	11.04	10.80	10.75	10.49
	TOTAL						
P O W E R	COAL STOCKS (m.tonnes)	33.64	15.52	21.81	22.29	22.88	23.46
	COAL CONSUMPTION	1.54	0.73	1.47	1.47	1.47	1.51
	COAL RECEIPTS	1.68	0.68	1.91	1.95	2.06	2.08
	OIL STOCKS (3)	1.40	1.23	0.89	0.95	1.05	1.06
P O W E R	OIL CONSUMPTION (3)	0.07	0.49	0.03	0.04	0.04	0.04
	OIL RECEIPTS (3)	0.14	0.56	0.04	0.09	0.13	0.06
S T A T I O N S	ELECTRICITY SUPPLIED (4) (GWh)						
	Nuclear	690	838	855	723	789	898
	Other Steam	3,727	3,612	3,387	3,445	3,441	3,536
	TOTAL	4,418	4,450	4,242	4,168	4,230	4,435
	TOTAL, temperature corrected	4,391	4,484	4,274	4,312	4,471	4,462

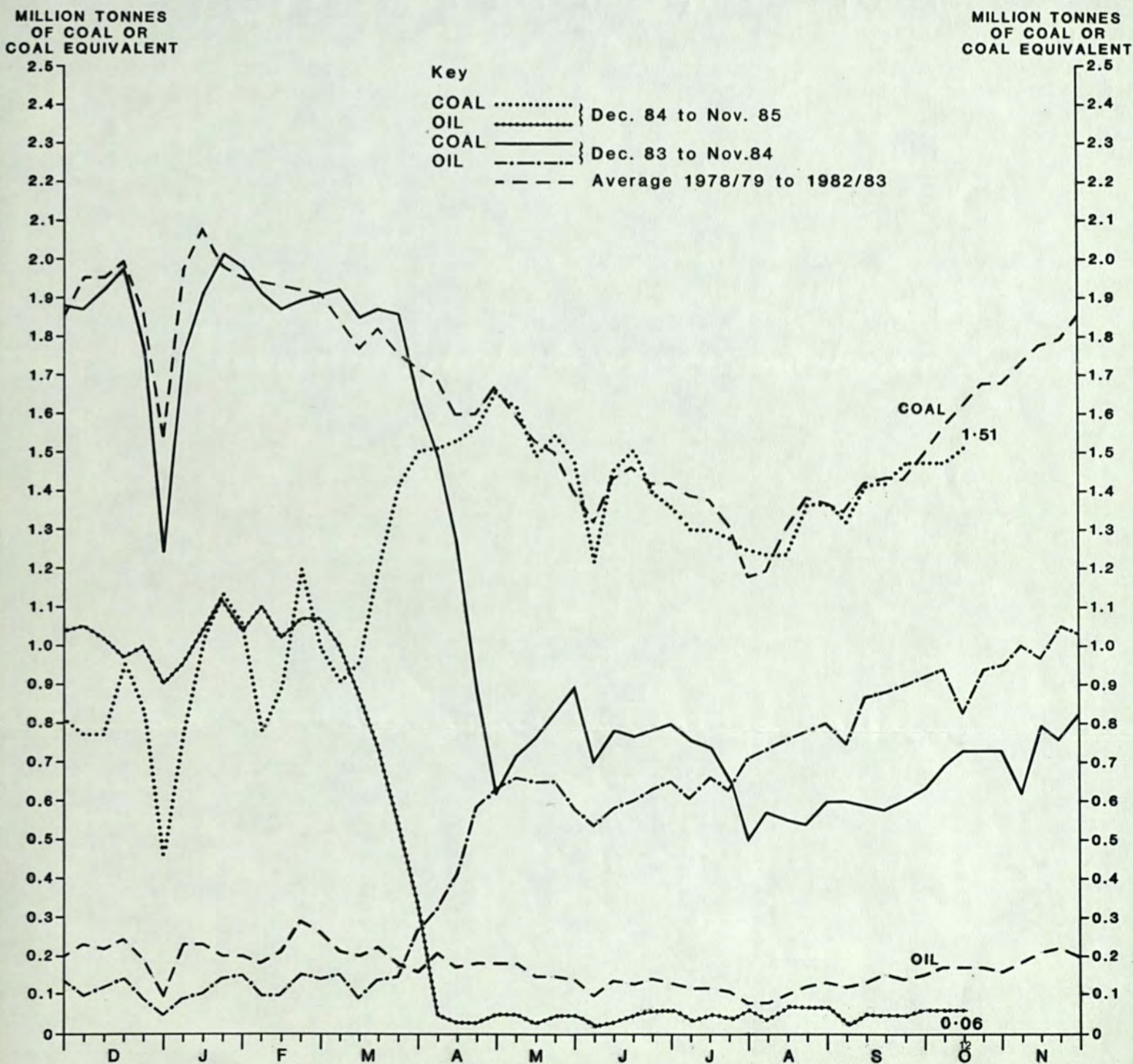
(1) Great Britain unless otherwise stated. All latest figures are subject to revision. (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only. +includes licensed production.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL

CONFIDENTIAL

ppr please

MR NORGROVE

31 October 1985

EMLEY MOOR COLLIERY

Symbolically, it is important that the miners' initiative should succeed, if not at Emley Moor at another small site in the vicinity. We need to get a tide running in the direction of a UK coal industry based on a diversity of private sector participants, including the small-scale.

It is reassuring that Ian MacGregor and Energy Ministers recognise the need both for sympathetic encouragement and painstaking effort to bridge the gap between the miners' aspirations and established NCB thinking. That gap is probably wide. The ethos of the NCB is alien to small-scale private mining. The Board operates within a cumbersome and costly framework of mining practices and standards which have not kept pace with advancing technology. Moreover, those who have worked in private licensed mines, point out that the NCB's assumptions about manning levels, particularly away from the coal faces, are unnecessarily inflated.

I suggest that the Prime Minister's response to the Department of Energy should:

- Express pleasure that through David Hunt's intervention, this small, but symbolically important, initiative is still alive.

CONFIDENTIAL

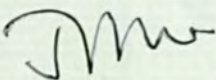
CONFIDENTIAL

- 2 -

- Agree that it is essential to deal with the matter thoroughly and sympathetically, and suggest that we need to be sure that this small-scale, low-overhead venture is not rejected by an NCB frame of mind unused and inappropriate to such operations. (The NCB must not confuse its role as licensing authority with the inclination to 'nanny' on this inappropriate basis).

With wider reference to the NCB's mining standards and procedures, it would be timely to urge the Department of Energy, and more particularly the Department of Employment, to get some real urgency into the measures needed to break NACODS' outdated, inefficient and damaging stranglehold on operational safety cover in deep mines. We understand that the NCB have only just registered the need to act on this. Now that the terms of the new Colliery Review Procedure have been agreed, this should become a high priority.

Presentationally, moves in this direction will have to be set in the context of the need to bring out-of-date practices into line with today's technology, coupled with the need to increase flexibility and productivity.



JOHN WYBREW

CONFIDENTIAL

WAT IND
COAL
PT 18



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

01 211 6402

David Norgrove Esq
Private Secretary
10 Downing Street
London
SW1

29 October 1985

Dear David

EMLEY MOOR

Ministers have suggested that I write bringing you up to date on the proposal by a group of miners at Emley Moor colliery to run the mine as licensees when it closes at the end of the year.

Mr Hunt has twice recently seen the Chairman on this subject and has had a useful meeting with John Whitfield MP. Mr Hunt assured Mr Whitfield of the Chairman's continuing personal interest in the proposal, and that, far from having any predisposition against the approach put forward, the Chairman is anxious that the Board look constructively at all available options and seek a positive outcome if at all possible. The Board is genuinely concerned, however, that the Emley Moor mine layout and infrastructure are on a scale substantially larger than the proposed 33-man operation, and that the associated operating and capital costs would be a good deal greater than the men bargained for. John Whitfield did not think that the men had looked into their proposal in any technical detail when they first put the idea forward. The Mines and Quarries Inspectorate would obviously need to approve any arrangements which were agreed, but the Board has assured us that practicability and viability rather than health and safety considerations, though important, are their main concern about the proposal.

Communications problems in the past have not helped relations between the group and the Board. Mr MacGregor was understandably irritated by accusations of a negative approach on his part when the group had not shown the Board the feasibility study of the options for which NCB(E) had provided the funds, and when the group seemed to be talking to the press rather than to the Board.



I am glad to say that the Board now has the business plan prepared by the independent consultants and have asked their engineers and management in the Yorkshire Area to examine it. The information provided to the Board is still incomplete, but John Whitfield has undertaken to try to remedy this. Mr MacGregor has written to John Whitfield (letter of 24 October, of which I enclose a copy) undertaking to be in touch again when local management had reviewed the business plan.

It is essential that the Board demonstrates it had looked at the proposal and the options thoroughly and sympathetically. Mr Whitfield and Mr Hunt envisaged that the next step, once the Board has examined the business plan and given its comments, should be for the Board and the group with their respective engineers to meet again and discuss any differences on questions of reserves, practicability, costs, safety, on the basis of the information available.

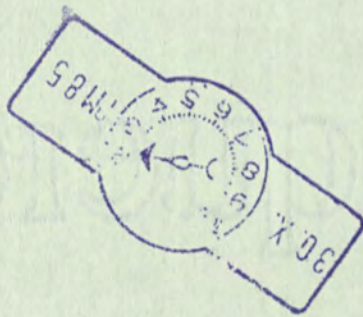
Mr Hunt is reporting to the Chairman the outcome of this meeting with John Whitfield, and has asked to be kept closely in touch with developments.

Yours sincerely

Roger Levett

R LEVETT
Private Secretary

Net. Incl: Coal. Pt 18.





10 DOWNING STREET

JW

I didn't put this in because David Hunt will by now have held his meeting with the local NP (see the DE letter). Could you you check the position with DE on that one?

DH

25/10.

Does it change your advice?

ce/89

Prime Minister
for information.DHS
25/10

01 211 6402

John MacGregor Esq OBE MP
 Chief Secretary
 Treasury Chambers
 Parliament Street
 LONDON
 SW1P 3AG

25 October 1985

Dear Mr MacGregor

mt

COALMINING MANUALS' PAY NEGOTIATION

Thank you for your letter of 21 October.

The earlier press reports which you mention were inaccurate: the NCB made no offer to the Notts miners (or, for that matter, to the NUM). However, they now have made an offer to the Union of Democratic Mineworkers; the Chairman gave me details when I saw him yesterday.

The Board are offering between 4% and 5% on grade rates, subject to a minimum of £5 a week. In addition, they will be offering:

- (a) enhancements to the existing productivity bonus scheme; they will also include features relating bonus levels to safety performance in order to be able to rebut the traditional line of criticism, which Scargill and others have used, that bonus schemes jeopardise safety; and
- (b) a new attendance bonus in order to reduce absenteeism and so enable the number of men on colliery books to be kept better in line with production needs.

The NCB will let us have their estimate of the change in average earnings. However, the Board state categorically that the bonus arrangements will be self-financing or better; and they are confident that they can contain the proposed increases within their existing financial plans.

The NCB would be making a similar offer to the NUM; but it seems certain to be rejected, since it runs contrary to all Scargill's declared objectives in the pay field.

The NCB are hoping for an early settlement with the UDM, perhaps over this weekend. Whether there is a settlement or not, the negotiations are bound to attract a good deal of publicity; and we must expect that the Notts leaders will want to give as much prominence as possible to the overall effect on earnings. But there are obvious political

CONFIDENTIAL



attractions in the Board's approach; and they will no doubt emphasise the link between higher earnings and higher productivity.

I am sending copies of this letter to the Prime Minister, the members of E(PSP) and to Sir Robert Armstrong.

Yours sincerely,

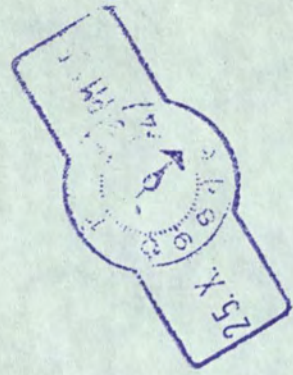
Roger Levett

for PETER WALKER

*(Approved by the
Secretary of State and
signed in his absence)*

CONFIDENTIAL

COAL : NAT. IND. 1418



MR NORGROVE

CONFIDENTIAL

pps please

Prise Minister

24 October 1985

Agree to write as proposed, over? DR

EMLEY MOOR COLLIERY 25/10.

(A) The efforts of a group of some 30 miners to take over a near-exhausted pit, in order to carry out a tail-end salvage operation, might seem insignificant. But symbolically, it is important, particularly at this time. We need to get a tide running in the direction of a UK coal industry based on a diversity of private sector participants, including the small-scale.

Unfortunately, my probing confirms that Emley Moor is not a candidate for this type of operation. It is simply too big and expensive to operate, even in the most rudimentary mode. The pity is that, for reasons yet to be established, the group of miners has broken off discussions with the NCB on other small-scale licensed mining operations in the vicinity of Emley Moor.

(B) My fear is that, in spite of Ian MacGregor's encouragement, the miners may have been put off by an NCB ethos which is alien to small-scale, low-overhead private mining. The NCB operates within a cumbersome framework of mining practices and standards which have not kept pace with advancing technology. Moreover, those who have worked in private licensed mines point out that the NCB's assumptions about manning levels, particularly away from the coal faces, are unnecessarily inflated.

CONFIDENTIAL

I suggest that your response to the Department of Energy should:

- Urge them to promote the re-establishment of exploratory discussions between the miners and the NCB.
- Suggest that if the miners' hang-up stems from the alien culture of the NCB, they could be given access to fresh independent advice, eg from men like Stocks and Down at the Royal School of Mines. You could also suggest that companies like Hampton Goldmines might be interested in developing a joint venture with the miners.

This would all be phrased more gradually in my letter

With wider reference to the NCB's framework of mining standards and procedures, it would be timely to urge the Department of Energy, and more particularly the Department of Employment, to get some real urgency into the measures needed to break NACODS' outdated, inefficient and damaging stranglehold on operational safety cover in deep mines. We understand that the NCB haven't ^{only just} yet registered ^{the need to act} ~~this as a~~ matter of priority. Presentationally, moves in this direction will have to be set in the context of the need to bring out-of-date practices into line with today's technology, coupled with the need to increase flexibility and productivity.

Handwritten scribbles and arrows on the left margin.

JMW

Now that the ^{terms of the} new Calvey Review Procedure have been ^{agreed} they should become a ^{priority} item.

CONFIDENTIAL



7F

M

2/1/85

Treasury Chambers, Parliament Street, SW1P 3AG

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

9, October 1985

Dear Peter,

COALMINING MANUALS' PAY NEGOTIATIONS

According to the Press the NCB have made an offer to the Nottinghamshire miners, though the details are not altogether clear. Could you let me know the level of offers the NCB would be prepared to make to secure settlements for this group and, indeed, for the NUM?

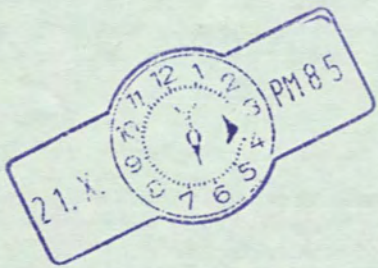
No doubt you will give me advance warning, in accordance with the normal practice, of any increase the NCB propose to make to an offer.

I am sending copies of this letter to the Prime Minister, members of E(PSP), and to Sir Robert Armstrong.

Yours ever,

JOHN MacGREGOR

CONFIDENTIAL



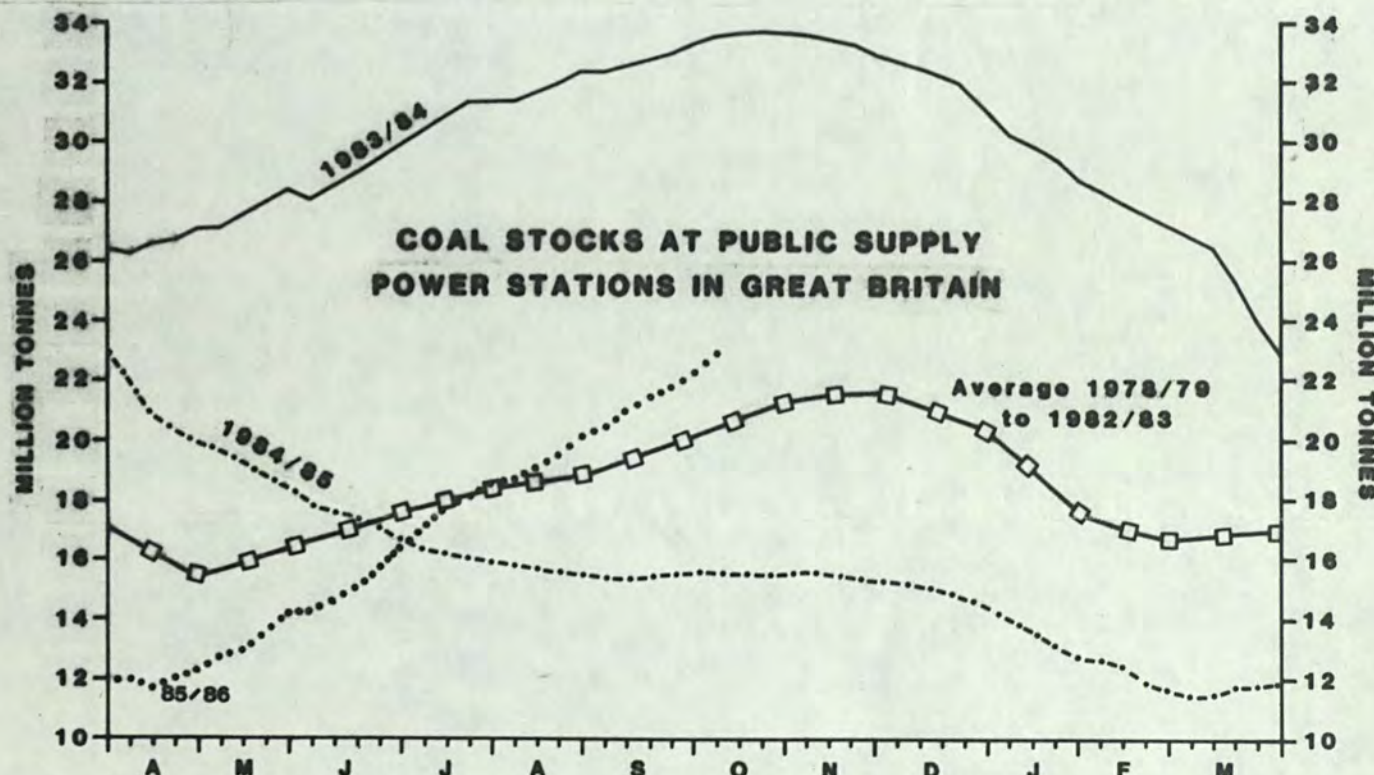
Handwritten signature and initials

WEEKLY COAL POWER STATION STATISTICS (1)
 EcS Division, Dept. of Energy, Thames House South,
 Millbank, London SW1P 4QJ. phone 01-211-4368

18 OCTOBER 1985

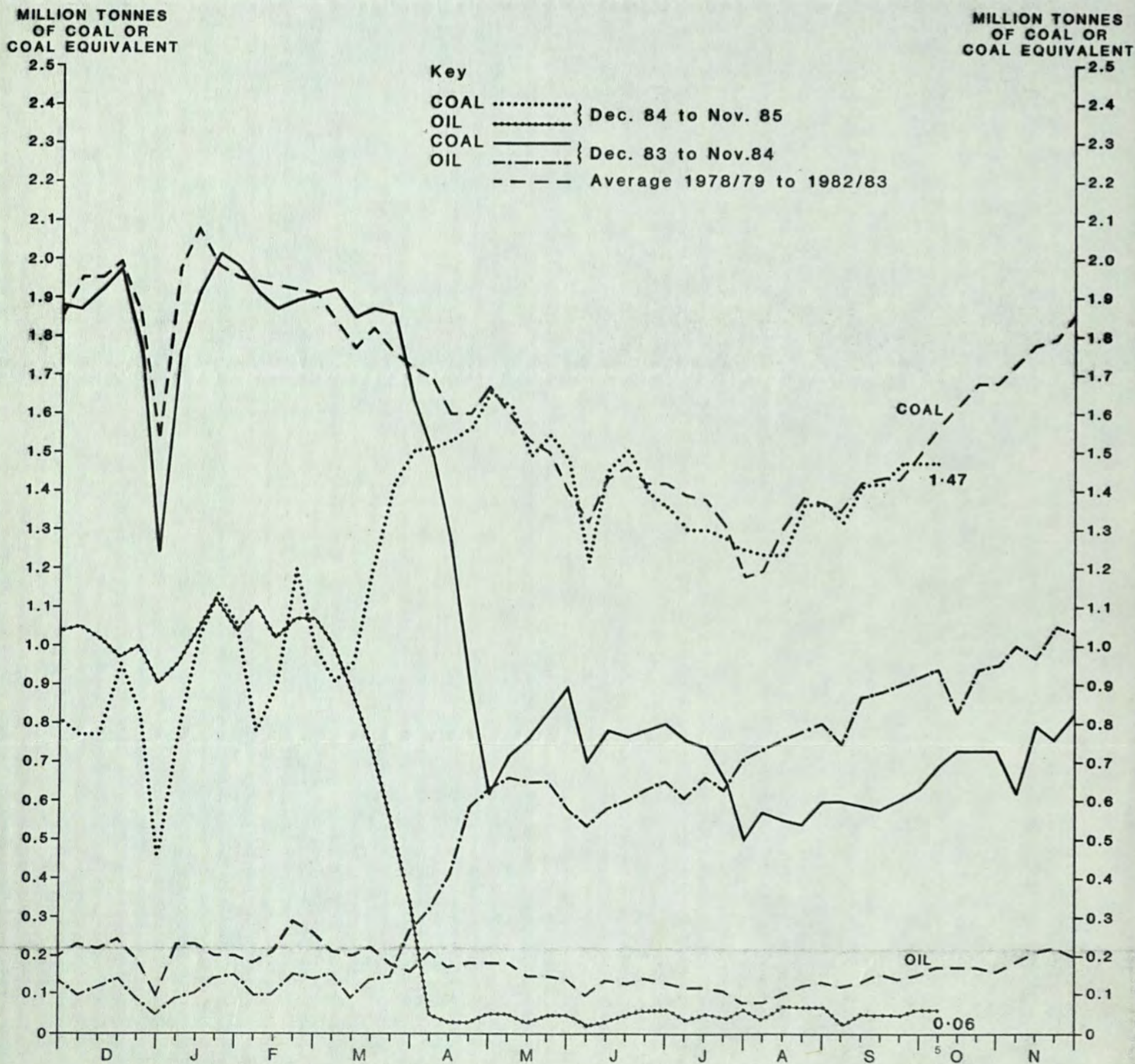
Week ending.....		8.10.83	6.10.84	14.9.85	21.9.85	28.9.85	5.10.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	2.14	0.54	1.80	1.87	1.86	1.94
	opencast+	0.30	0.28	0.33	0.31	0.36	0.31
	TOTAL	2.45	0.82	2.13	2.17	2.22	2.25
C O A L	PRODUCTIVITY (2) (tonnes/manshift)						
	'overall' 'production'	2.57	2.44	2.76	2.80	2.77	2.83
	UNDISTRIBUTED STOCK (m.tonnes) TOTAL	10.71	11.78	11.88	11.76	11.83	12.09
		23.85	22.02	11.30	11.04	10.80	10.75
P O W E R S T A T I O N S	COAL STOCKS (m.tonnes)	33.51	15.57	21.37	21.81	22.29	22.88
	COAL CONSUMPTION	"	1.44	0.69	1.42	1.47	1.47
	COAL RECEIPTS	"	1.67	0.70	1.87	1.91	1.95
	OIL STOCKS (3)	"	1.34	1.12	0.88	0.89	0.95
	OIL CONSUMPTION (3)	"	0.06	0.55	0.03	0.03	0.04
	OIL RECEIPTS (3)	"	0.07	0.36	0.03	0.04	0.09
	ELECTRICITY SUPPLIED (4) (GWh)						
	Nuclear	"	778	802	908	855	723
	Other Steam	"	3,448	3,679	3,448	3,387	3,445
	TOTAL	"	4,226	4,480	4,356	4,242	4,168
	TOTAL, temperature corrected	"	4,315	4,292	4,401	4,274	4,312
			4,471				4,471

(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. +includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL



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

CNO

*Spoke FW 17/10
(need for guidelines to
NCB?)
BIF with P. Hunt
Comments.*

David Norgrove Esq
10 Downing Street
London
SW1

17 October 1985

New David,

EMLEY MOOR COLLIERY

Thank you for your letter of 7 October about the reports that the NCB are unwilling to sell the pit to a group of Emley Moor miners when it closes at the end of the year.

I enclose a note prepared by the NCB which sets out the history of the Board's discussions with the group concerned and summarises the reasons why the Board concluded that the proposal was not viable.

The Board have assured Mr Hunt that they have made every effort to assist the group in identifying a viable mining opportunity in the locality. They have explained that the Board's staff carried out a thorough and detailed technical appraisal of the group's proposal to work Emley Moor. Regrettably, because of the exhaustion of viable reserves, and the fact that the mine was designed and laid out to employ a much larger number of men than can be licensed to work it, they concluded that the geological, technical and physical obstacles to the continuation of viable and safe work at the colliery were insuperable. The safety requirements which would be demanded by the Mines inspectorate before any licence could be granted would add to the difficulties faced by those attempting to initiate such a project.

As a measure of the difficulties involved, it is the Board's assessment that maintenance of the infra-structure of the pit would cost around £250,000 a year before taking into account direct production costs.

The Board took the view that they could not responsibly encourage men to invest their resources in a project which, on the basis of their technical experts' assessment of the likely output and manning levels of the pit, would be almost certain to fail.



Nevertheless, the Board remained sympathetic towards the principle of ex-NCB employees operating small mines. In an effort to salvage something from the original proposal the Board offered their services to investigate and make constructive proposals for an alternative licensed mine in the locality. Discussions were held with the group about two other propositions which the Board considered had a chance of success and merited further evaluation. The Board's commitment extended to the funding by NCB (Enterprise) Ltd of an investigation of these alternative proposals by an independent mining engineer instructed by the Emley Moor group.

The Board were both disappointed and surprised to learn from the press that the group had decided against pursuing either of these alternative proposals, as they had not heard from the group direct. John Whitfield MP has been involved at all the meetings as several of the men are his constituents in Dewsbury. David Hunt has been in touch with him and a meeting has been arranged in the Department with Mr Whitfield on Thursday 24 October when Mr Hunt will be seeking to establish the current position.

The Board say they have not seen the report on the original Emley Moor proposal by the independent consultant commissioned by the group. Their local management would be pleased to provide further comments on the proposals in the light of this report if the group wished them to do so.

Yours,

A handwritten signature in dark ink, appearing to be 'G S Dart', written in a cursive style.

G S DART
Private Secretary



NATIONAL COAL BOARD
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1X 7AE

01-235 2020

CHAIRMAN
Ian MacGregor

11th October, 1985.

David Hunt, Esq., MBE, MP,
Department of Energy,
Thames House South,
Millbank,
London, SW1P 1QJ.

Dear Mr. Hunt,

Emley Moor Colliery

We spoke earlier today about the Prime Minister's request for a report on the position regarding the proposal by a group of mineworkers at Emley Moor Colliery to be allowed to work the mine under licence. As you know Mr. John Whitfield MP has taken a special interest in this project, and I understand that Mr. Tyas, the group's spokesman, has recently written to you on the matter.

I attach notes setting out the history of the Board's discussions with the group concerned. Board officials have held a number of meetings with the group and have made every effort to assist them in identifying a viable mining opportunity in the locality. The Board's staff have carried out a thorough and detailed technical appraisal of the group's proposal to work the mine. Regrettably, because of the exhaustion of viable reserves, and the fact that the mine was designed and laid out to employ a much larger number of men than can be licensed to work it, it has become clear that the geological, technical and physical obstacles to the continuation of viable and safe work at the colliery are insuperable. The Board could not responsibly encourage men to invest their resources in a project which, on the basis of our technical experts' assessment of the likely output and manning levels of the pit, would be doomed to failure. The onerous safety requirements which would be required by the Mines Inspectorate before any licence could be granted would only serve to exacerbate the difficulties faced by those attempting to initiate such a project.

I should perhaps mention that the independent consultant's report on Emley Moor to the group has not been seen by the Board. Local management would be pleased to provide further comments on the proposals if this were made available to us.

On the Board's assessment, the infra-structure costs of maintaining the pit could be of the order of £250,000 per annum before taking into account the costs which vary with production.

Nevertheless, as the Board are sympathetic to the principle of ex-NCB employees operating small mines and were reluctant to have to give a disappointing response to the mineworkers concerned, we offered the services of the Board's staff to investigate and make constructive proposals for an alternative licensed mine in the locality. Discussions were held with the group about two other propositions, and the Board's representatives considered that both of these sites had a chance of success and merited further evaluation. The Board's representatives made considerable efforts to meet the group's concerns on a number of points, including eligibility of the individuals concerned for redundancy payments, a guaranteed market for the period of the licence, and assistance from NCB (Enterprise) Ltd., who have funded the investigation of alternative sites by an independent mining engineer instructed by the employees.

The Board were therefore disappointed to hear that the group concerned seem now to be deciding against pursuing an alternative proposal, although local management have not heard from the group direct that this is, in fact, the case.

I hope this information is helpful in replying to the Prime Minister's request.

Sincerely

Jan MacGregor

NATIONAL COAL BOARD
EMLEY MOOR COLLIERY

Proposal by a Group of Miners to Work
The Colliery Under Licence After Closure

BACKGROUND

1. The Board were first approached formally about the possibility of a group of miners from Emley Moor colliery taking over the colliery and working part of it (by licence under Section 36(2)(a) of the Coal Industry Nationalisation Act) on 16th April 1985.
2. Board representatives, including the Chairman and Deputy Chairman, met the Emley Moor Group on a number of occasions and agreed to provide technical assistance for an evaluation of the possibilities by the Group. The Board also expressed their great concern that the Emley Moor proposals were not viable and suggested that the Group consider the feasibility of opening a small drift mine as an alternative. Board officials offered to identify possible sites for such drift mines and two possibilities were discussed with the Group, both of which, in the view of the Board, merited further evaluation. After consideration the Emley Moor Group expressed a number of reservations about the sites suggested (including doubts about security of the market) and about the eligibility of the men concerned, who are under 50 years of age, for redundancy payments.
3. Subsequently the Board's representatives were able to reassure the Group on both of these points. Although men under 50 years of age were only eligible for redundancy payments in exceptional circumstances, the Board agreed that the men concerned could be considered as falling within such a category in the circumstances under discussion.

4. As regards securing a market for the coal, the Board stated that they were willing to guarantee for ten years to buy all or part of the estimated tonnage which would be produced by the proposed private mine. The price would be agreed on a basis related to quality and a handling charge, with the assurance that it would not be the Board's intention to make money but simply to cover associated expenses.
5. NCB (Enterprise) Ltd. also funded the investigation of alternative sites by an independent mining engineer instructed by the Emley Moor Group.
6. The Emley Moor Group have discussed their proposals with H.M. Inspectorate of Mines and Quarries, who raised significant questions about the Group's proposal to work Emley Moor.

REASONS WHY THE BOARD CONCLUDED
THAT THE PROPOSAL WAS NOT VIABLE

7. The Emley Moor Group proposed to work under licence first the Beeston Seam in the Speedwell Area of the Colliery, using the cyclic method of mining. They would then enter the Whinmoor Seam about two years later and work it by the same methods. They asked that the major equipment and machinery be left intact at the colliery.
8. The Board's decision to refuse permission for such a licence was based on the following factors:-
 - (a) Problems with the Beeston Seam

The seam section is extremely thin (18"-20") in the district in which it was proposed to work. Old waterlogged workings are less than 50 metres above. The seam has a very hard floor and a poor roof. It has been proved to be extremely difficult to work and was abandoned for that reason;
 - (b) Problems with the Whinmoor Seam

This split seam of about 3 feet of coal is divided by an 11" thick dirt band. The Board are working the last of the viable reserves at present and when the current face finishes the colliery will close;

(c) Nine Cloggs Drift

It was proposed to use this 900 metre drift as the main access, hauling coal out in tubs. The drift is not high enough to be a main access. About 700 metres would need to be repaired and enlarged before any working was possible;

(d) Second Egress

A second means of egress would be required. The proposal was to use a very steep (1 in 0.73) drift currently serving as an airway and unlikely to be judged a safe means of egress by the Inspectorate. The main shaft, which is 150 metres deep, could not be operated by any licensee as it is at present. A suggested alternative - installing a lift in the shaft - would not be feasible on cost grounds and would also be unlikely to be acceptable the Mines Inspectorate;

(e) Pumping Costs

The Board will need to pump some of the water from Emley Moor to protect the neighbouring Denby Grange Colliery and this will be done from Denby Grange. Any licensees would, however, have to pump from the working seams to the level at which the water will drain to Denby Grange, at a cost of tens of thousands of pounds a year;

(f) Other Power Costs

These would also amount to many tens of thousands of pounds, to keep the mine ventilated, lit, etc. and to drive the machinery;

(g) Provision of Additional Power Lines

There is no power to the Speedwell district at present. If coal cutters were to be used, substantial capital costs would be incurred providing power;

(h) Building Maintenance

The Board will have no continuing use for the colliery buildings. Any licensee would be faced with potentially substantial maintenance and repairs costs for the colliery buildings;

(i) Requirements of H.M. Inspectorate of Mines and Quarries

In addition to the matters referred to at (c), (d) and (e), H.M. Inspectorate of Mines and Quarries would be likely to impose other stringent conditions before allowing a licensee to work Emley Moor. The Board cannot forecast what would be required but the conditions would be likely to include:-

- (i) Methane Drainage: almost certain to be needed, in the Beeston Seam;
- (ii) Supervision of the Colliery: a First Class Certificate would be likely to be required for the Manager. This is not usually the case for a licensed small mine and reflects the extent of Emley Moor compared to small mines generally. Additionally, deputies would also be needed, and mechanical and electrical supervision required;
- (iii) Layout of Workings: The Inspectorate would wish to stipulate the mine layout, particularly with regard to ventilation and water dangers from old and abandoned workings.

9. In view of all the foregoing factors, the Board concluded that the colliery could not be worked safely or viably, in view of the substantial capital expenditure required, the high overhead costs and the small output (less than 25,000 tonnes per annum) which would be produced.



Coal: Nat Ind. PK 18

CONFIDENTIAL

sfw



10 DOWNING STREET

From the Private Secretary

14 October 1985

RESTOCKING OF CEGB POWER STATIONS

The Prime Minister was grateful for your Secretary of State's minute of 8 October about restocking of CEGB power stations and has noted that the CEGB will fall a little short of the presently planned stock target for the end of October.

(DAVID NORGROVE)

Geoff Dart, Esq.,
Department of Energy.

CONFIDENTIAL

CONFIDENTIAL

WEEKLY COAL POWER STATION STATISTICS (1)

EcS Division, Dept. of Energy, Thames House South,
Millbank, London SW1 4QJ. phone 01-211-6928

11 OCTOBER 1985

Week ending.....		1.10.83	29.9.84	7.9.85	14.9.85	21.9.85	28.9.85
C O A L	PRODUCTION (m.tonnes)						
	deep mines+	2.05	0.52	1.85	1.80	1.87	1.86
	opencast+	0.33	0.30	0.32	0.33	0.31	0.30
	TOTAL	2.38	0.82	2.17	2.13	2.17	2.16
C O A L	PRODUCTIVITY(2) (tonnes/manshift)						
	'overall'	2.56	2.43	2.70	2.76	2.80	2.77
	'production'	10.70	11.90	11.54	11.88	11.76	11.83
	UNDISTRIBUTED STOCK (m.tonnes)						
	TOTAL	23.72	22.10	11.44	11.30	11.04	10.80
P O W E R S T A T I O N S	COAL STOCKS (m.tonnes)	33.27	15.56	20.92	21.37	21.81	22.29
	COAL CONSUMPTION	1.42	0.63	1.41	1.42	1.47	1.47
	COAL RECEIPTS	1.76	0.70	1.95	1.87	1.91	1.95
	OIL STOCKS(3)	1.34	1.26	0.87	0.88	0.89	0.95
	OIL CONSUMPTION(3)	0.06	0.54	0.03	0.03	0.03	0.04
	OIL RECEIPTS(3)	0.07	0.39	0.05	0.03	0.04	0.09
	ELECTRICITY SUPPLIED(4) (GWh)						
	Nuclear	774	815	938	908	855	723
	Other Steam	3,372	3,510	3,279	3,448	3,387	3,445
	TOTAL	4,146	4,326	4,216	4,356	4,242	4,168
TOTAL, temperature corrected	4,196	4,261	4,046	4,401	4,274	4,312	

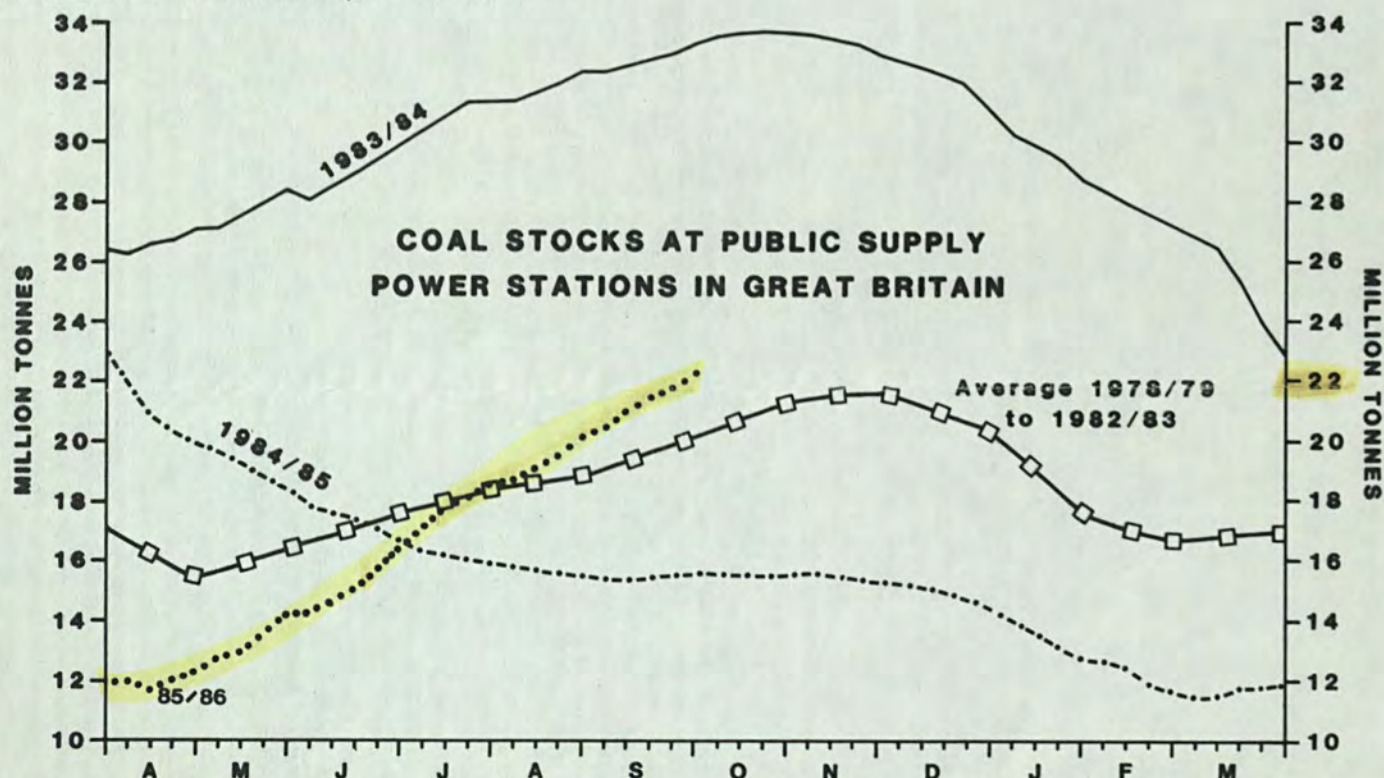
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.

(2) NCB mines only.

(3) Oil-fired boilers only.

(4) Steam stations only.

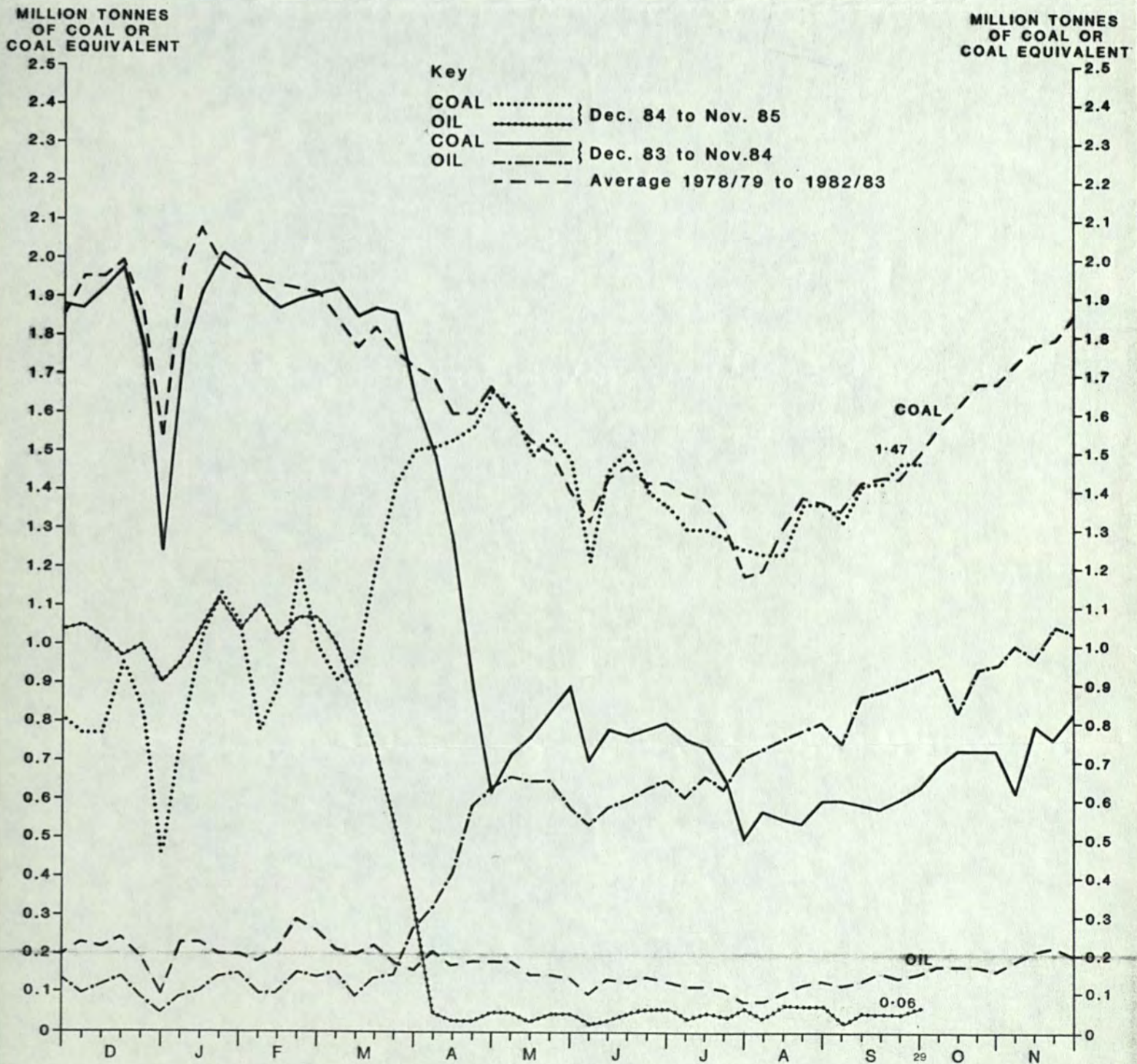
+ includes licensed production.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL

11.8.1 18 11.11.85



PRIME MINISTER

010 2

Agree to write?
D&S 8/10.

MS

RESTOCKING OF CEGB POWER STATIONS

You should be aware that it is now looking increasingly likely that the CEGB will fall a little short of the presently planned stock target for the end of October. Stocks at the power stations on Sunday 29 September were 20.5mt, some 0.3mt below the planned amount. This trend looks likely to continue until the end of October. While over the stockbuild period coal deliveries have exceeded original expectations, recently deliveries have fallen below target as readily accessible coal stocks have been depleted. However, these extra deliveries have been more than offset by coal consumption which has been significantly higher than originally estimated, being affected both by increased demand and by a reduced contribution from the nuclear stations.

The CEGB's present view is that stocks on Sunday 27 October (the end point of the present programme) should reach 22mt, a shortfall of some 0.9mt on the planned target. However, stockbuild will continue into November and the Board hopes to achieve roughly 23mt by the middle of November which amounts to a slippage of two weeks or so. All available steps are being taken to maximise the flow of coal, including continuing imports of electricity from Scotland and the highest possible flow of NCB coal from the North East and imports from the Rotterdam stockpile into the Thames-side stations.

In spite of this short-term slippage, the CEGB sees no difficulty at present in being able to meet the stock target of 22mt at the end of March which we agreed at our meeting on 24 July. A detailed delivery programme is currently being drawn up by the Board, in consultation with the NCB. My Department will be monitoring that programme closely during the winter months.

MS

MS

SECRETARY OF STATE FOR ENERGY

CONDAGIOL



MJDBEW



10 DOWNING STREET

From the Private Secretary

7 October 1985

EMLEY MOOR DRIFT MINE

BF 1

The Prime Minister has seen a report that the NCB have told miners from Emley Moor Drift Mine that they cannot buy their pit when it closes at the end of December. The Prime Minister has asked that this should be investigated and would welcome an urgent report. (The possibility of a buy out at Emley Moor was raised with the Prime Minister in the House in May - Hansard extract attached.)

David Norgrove

Geoff Dart Esq
Department of Energy

Ry

Mr. Steel: In contemplating last month's rise in inflation and the steady rise in unemployment, do any of the right hon. Lady's advisers ever suggest that what needs changing is not her voice but her policies?

The Prime Minister: Perhaps the right hon. Gentleman will note that the Government whom he supported through thick and thin, and whose existence he prolonged, never reached as low a level of inflation as 6.9 per cent.

Mr. Patrick McNair-Wilson: Will my right hon. Friend find time today to encourage the chairman of the National Coal Board to give permission to that group of miners that wishes to invest its own money to finance and work their own pit? Does she not agree that, as they will be producing mainly for the domestic market, there can be no logical reason for stopping that sensible extension of private enterprise?

The Prime Minister: I read the reports that a number of miners in Emley Moor colliery wanted to set up a miners' co-operative. I am sure that the NCB will consider carefully any proposals that the group may put forward. The Secretary of State for Energy and I recognise that some miners may want a more direct stake in their collieries, and that is a development that we would welcome in principle. We shall do everything to help.

Mr. Kinnock: As the Prime Minister said, the inflation rate is 6.9 per cent. Does she still think that it will go down to her promised target of 3 per cent?

The Prime Minister: As I said, the inflation rate is 6.9 per cent., which is below — [HON. MEMBERS: "Answer."] It is below the lowest that the previous Labour Government ever managed to achieve. As the Chancellor of the Exchequer has already said, we expect it to be back at just over 5 per cent. by the end of the year, and then to continue its further route downwards.

Mr. Kinnock: May I ask the Prime Minister again: does she still think that the inflation rate will reach her promised target of 3 per cent., and if so, when will that occur? What changes in policy will the Prime Minister bring about to try to promote that, or is she really once again trying to con the country on inflation, as she tried to do on unemployment?

The Prime Minister: As I said, the Chancellor of the Exchequer has already said that we expect the rate to reach around 5 per cent. by the end of the year, and to be lower still in 1986. [Interruption.] Yes, I do want it lower still. Yes, I do want it at 3 per cent., and below. It is the right hon. Gentleman whose policies would take it right up to 27 per cent., which was the record reached under Labour.

Mr. Kinnock: When is the rate going to reach 3 per cent., or is the right hon. Lady copping out on this one again?

The Prime Minister: The right hon. Gentleman is talking his customary nonsense. We have a target of getting inflation down. The right hon. Gentleman's target would take inflation beyond the 27 per cent. that the previous Labour Government reached.

Food Aid

Q4. Mr. Teddy Taylor asked the Prime Minister what progress has been made in implementing the plans agreed

at the Dublin Common Market summit on the transporting of food aid from Common Market stockpiles to Ethiopia and Sudan; and if she will make a statement.

The Prime Minister: Ethiopia has received about 144,000 tonnes of cereals from the European Community and its member states since the beginning of this year, and Sudan about 93,000 tonnes. Sudan has also received about £8 million worth of other food from the Community.

Mr. Taylor: In view of the highly publicised pledge by the Dublin summit to deliver 1.2 million tonnes of food aid to the drought areas of Africa, including Ethiopia, before the autumn harvest of 1985, is it not disappointing and disturbing that the total amount actually delivered to Ethiopia so far, with only five months to go, is 144,000 tonnes, which is less than the amount that we send to the Soviet Union and east Europe every week? Will the Prime Minister do all in her power to ensure that the Common Market keeps its pledge to assist starving Africa, particularly when other countries such as the United States have responded magnificently and promptly?

The Prime Minister: Yes. As I told my hon. Friend in a previous reply, progress has been slower than we would have wished, but the matter has been taken up with the European Commission. My right hon. Friend the Minister for Overseas Development will take it up once again in Brussels at the meeting on 23 May. We are anxious that the process of food arriving there is speeded up. There are problems of distribution when it gets there, which also need attention.

Engagements

Q5. Mr. Flannery: asked the Prime Minister if she will list her official engagements for Tuesday 21 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Flannery: Will the Prime Minister, for once, emerge from her cast-iron casing and admit that she and she alone is preventing a solution to the teachers' industrial dispute? Will she admit that she ordered her Secretary of State to use the 15 votes on the Burnham committee and on the employers' panel to block two proposals which were reasonably acceptable and might have helped solve the teachers' strike? When will she realise that the teachers are desperate, their morale is low and that it is affecting the children? It is not the teachers, but the Prime Minister and her Secretary of State who are harming our children.

The Prime Minister: My right hon. Friend the Secretary of State for Education and Science has always made it clear that the Government are not able to make available additional resources in 1985-86. However, for the longer term he has also made it clear that if employers and teachers come to him with an affordable package involving both pay and conditions of service he will be willing to put it to his colleagues. The proposition that teachers are prepared to discuss pay but not what they are being paid for is absurd.

Mr. Aitken: Has my right hon. Friend found time today to see press reports of a survey which show that 76 per cent. of the public wish to see the proceedings of this House televised? Can she — [HON. MEMBERS: "Declare your interest."]

Prime Minister seen 2
9/10 7/10.

WEEKLY COAL AND POWER STATION STATISTICS (1)

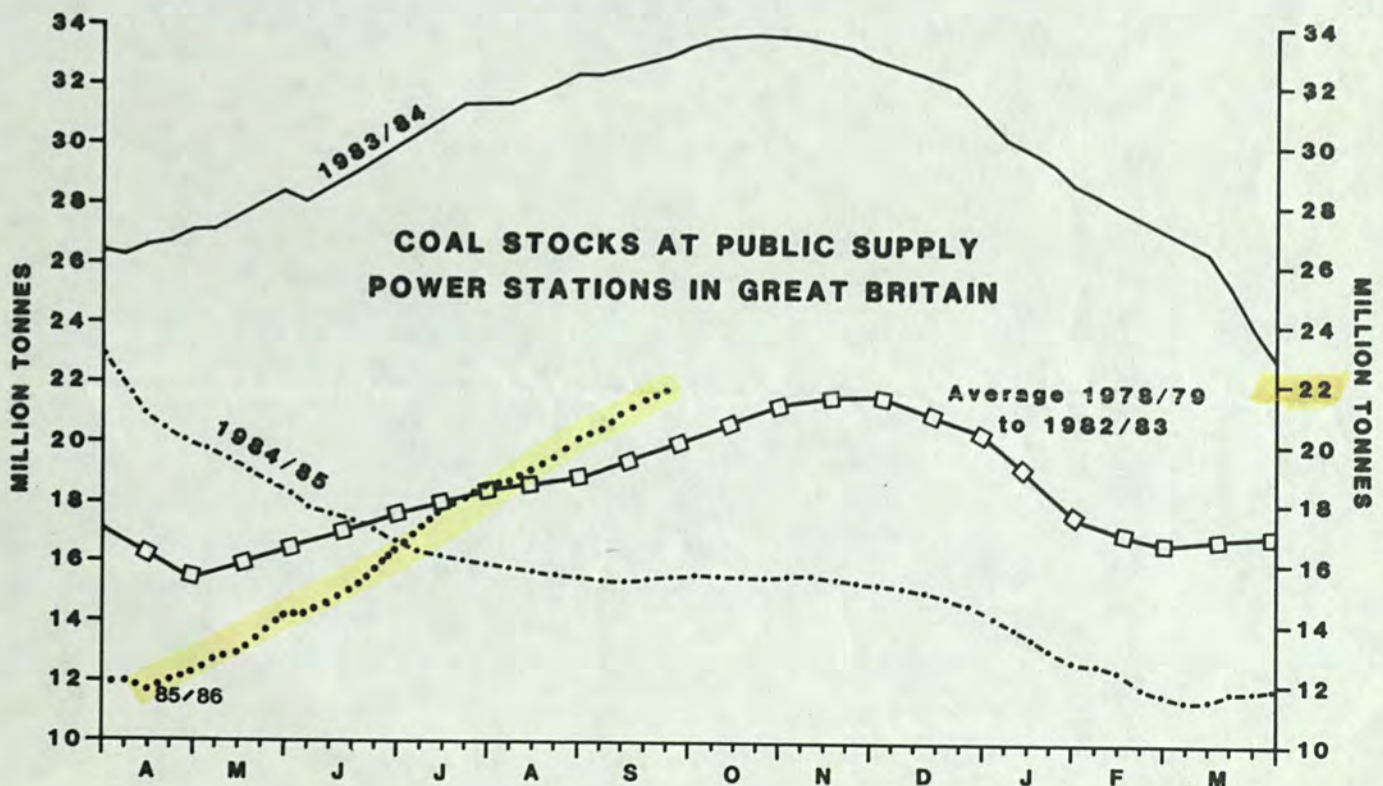
4 October 1985

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

Week ending 24.9.83 22.9.84 31.8.85 7.9.85 14.9.85 21.9.85
(5)

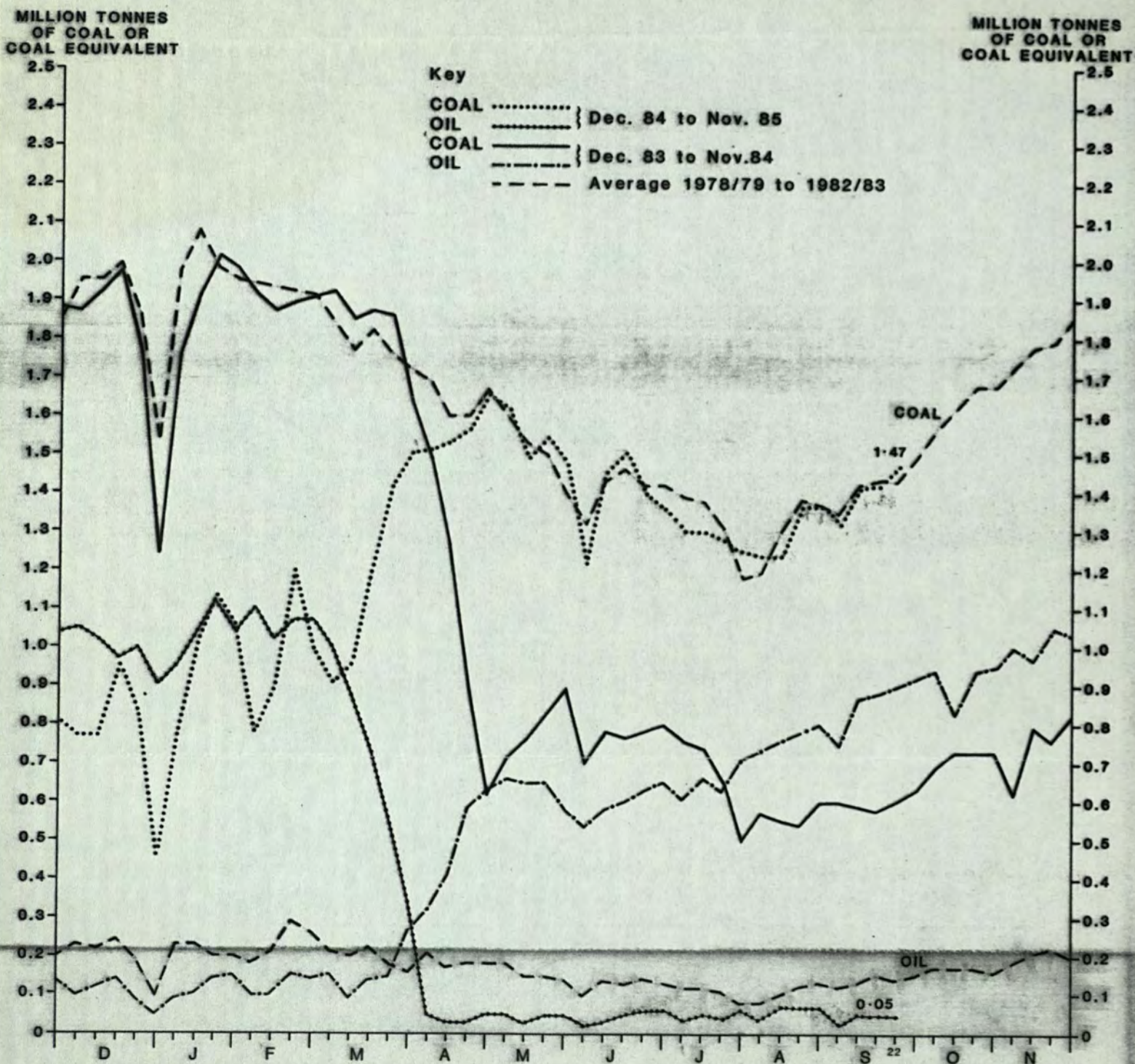
COAL			24.9.83	22.9.84	31.8.85	7.9.85	14.9.85	21.9.85
COAL	PRODUCTION	deep mines+	1.94:	0.49:	1.37	1.85	1.80	1.87
	(m. tonnes)	opencast+	0.28:	0.27:	0.26	0.32	0.33	0.31
	TOTAL		2.23:	0.76:	1.63	2.17	2.13	2.17
COAL	PRODUCTIVITY(2)	'overall'	2.53:	2.32:	2.51	2.70	2.76	2.80
	(tonnes/manshift)	'production'	10.65:	10.91:	11.05	11.54	11.88	11.76
UNDISTRIBUTED STOCK								
(m. tonnes)	TOTAL		23.73:	22.39:	11.61	11.44	11.30	11.04
POWER STATIONS	COAL STOCKS	(m. tonnes)	32.93:	15.48:	20.37	20.92	21.37	21.81
	COAL CONSUMPTION	"	1.42:	0.60:	1.32	1.41	1.42	1.47
	COAL RECEIPTS	"	1.61:	0.68:	1.55	1.95	1.87	1.91
	OIL STOCKS(3)	"	1.33:	1.37:	0.85	0.87	0.88	0.89
	OIL CONSUMPTION(3)	"	0.06:	0.53:	0.02	0.03	0.03	0.03
	OIL RECEIPTS(3)	"	0.05:	0.53:	0.05	0.05	0.03	0.04
	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	696:	805:	814	938	908	855
	Other Steam	"	3,392:	3,407:	2,989	3,279	3,448	3,387
	TOTAL	"	4,087:	4,212:	3,803	4,216	4,356	4,242
TOTAL - temperature corrected	"		4,044:	4,149:	3,763	4,046	4,401	4,274

(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.
 + includes licensed production. (5) Includes Summer Bank holiday.



CONFIDENTIAL

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



CONFIDENTIAL

NI0195 5 XXX 76

MINERS CANNOT BUY PIT

THE NATIONAL COAL BOARD SAID TODAY IT HAD TOLD 25 YORKSHIRE MINERS THAT THEY CANNOT BUY THEIR PIT WHEN IT CLOSES AT THE END OF DECEMBER. THE GROUP WANTED TO BUY EMLEY MOOR DRIFT MINE NEAR HUDDERSFIELD, WHICH HAS BEEN OPERATING SINCE 1850. 4/10

IT ONCE EMPLOYED 300 MEN, BUT THERE ARE NOW 150.

EACH MAN IN THE GROUP WANTED TO SINK £10,000 OF HIS REDUNDANCY MONEY INTO THE SCHEME TO RAISE £250,000 FOR THE PROJECT.

--
041644 OCT 85

Prime Minister 2

I have told D Energy that you will want this to be investigated, and a report made to you urgently. Another PR triumph for the Coal Board. DLR

Prime Minister 2

MR NORRGROVE

3 October 1985

COAL - NOTTS BREAK-AWAY MOVEMENT

I understand from Energy and Employment that, as early as this weekend, news could break of favourable developments for Roy Lyng and his Notts break-away movement.

Contrary to some press reports, it seems that the Certification Officer has moved swiftly in processing the draft Instrument of Amalgamation (between the Notts union, the small independent Colliery Trade and Allied Workers Association, and the South Derbyshire union). Preliminary indications are that the Certification Officer - and, for that matter, the courts - are favourably disposed to the Notts union because it is independently listed and certified as such; and because the members have clearly demonstrated in a ballot (73% majority) that they are opposed to the strongly centralised character of the NUM under the new Rule Book.

Barring successful intervention by the NUM, the likely sequence of events would be as follows:

- Around 4 October 1985: Certification Officer formally approves the Instrument of Amalgamation.
- Mid-October: Notts union ballots member on proposal to amalgamate, with the objective of preserving the autonomy of the Notts union on the basis of their existing Rule

Book, within a new federation of like-minded mining unions.

- **Early December:** If ballot successful (simple majority required) the amalgamation comes into effect.

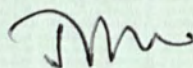
- **Later in December:** Notts union delegate conference to tidy up existing Notts Rule Book consistent with the new amalgamated federation.

The NUM will no doubt try to thwart this process by whatever means they can. But unless the NUM can mount a substantial legal challenge, they will probably be rejected by the courts - whose sympathy is likely to lie with the Notts union, for the reasons indicated above. Meanwhile, the NUM may yet be tripped up by Scargill's tactical manoeuvring at the time of the NUM's Rule Book delegate conference. The courts are soon due to hear challenges to the propriety of the procedures under which the new NUM rule changes were made.

A delicate question for the NCB is what posture to adopt vis-à-vis Lynk and his Notts union. The annual wage increase negotiations are imminent. On the one hand they want to enhance Lynk's credibility and stature in the eyes of his members. On the other hand, Lynk must not be perceived as a lackey of the NCB.

The issue
of the Notts
concerns
about
this.

The odds are probably now better than evens that the Notts break-away will be successfully achieved, perhaps before the end of the year. .



JOHN WYBREW

mn

WEEKLY COAL AND POWER STATION STATISTICS (1)

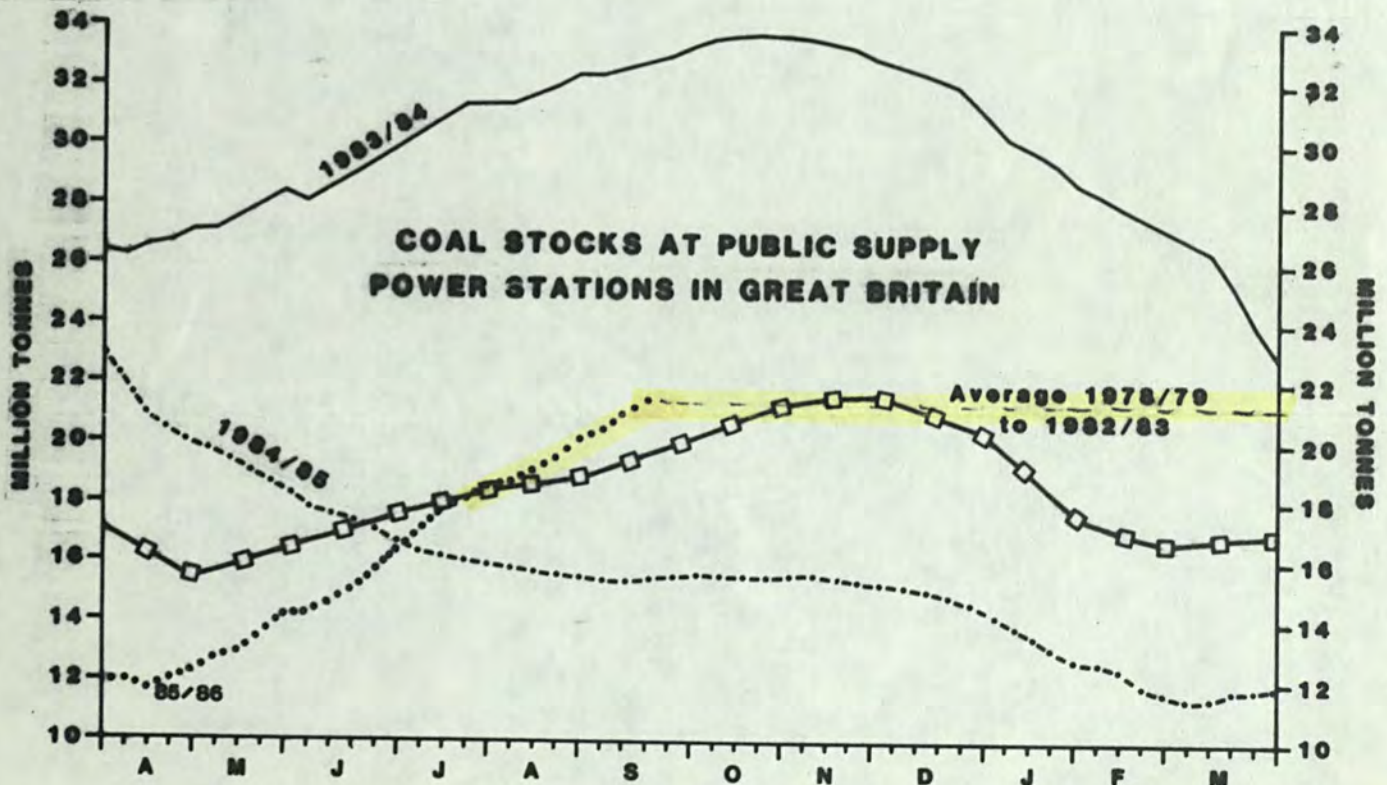
27 September 1985

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

Week ending 17.9.83 15.9.84 24.8.85 31.8.85 7.9.85 14.9.85
(5)

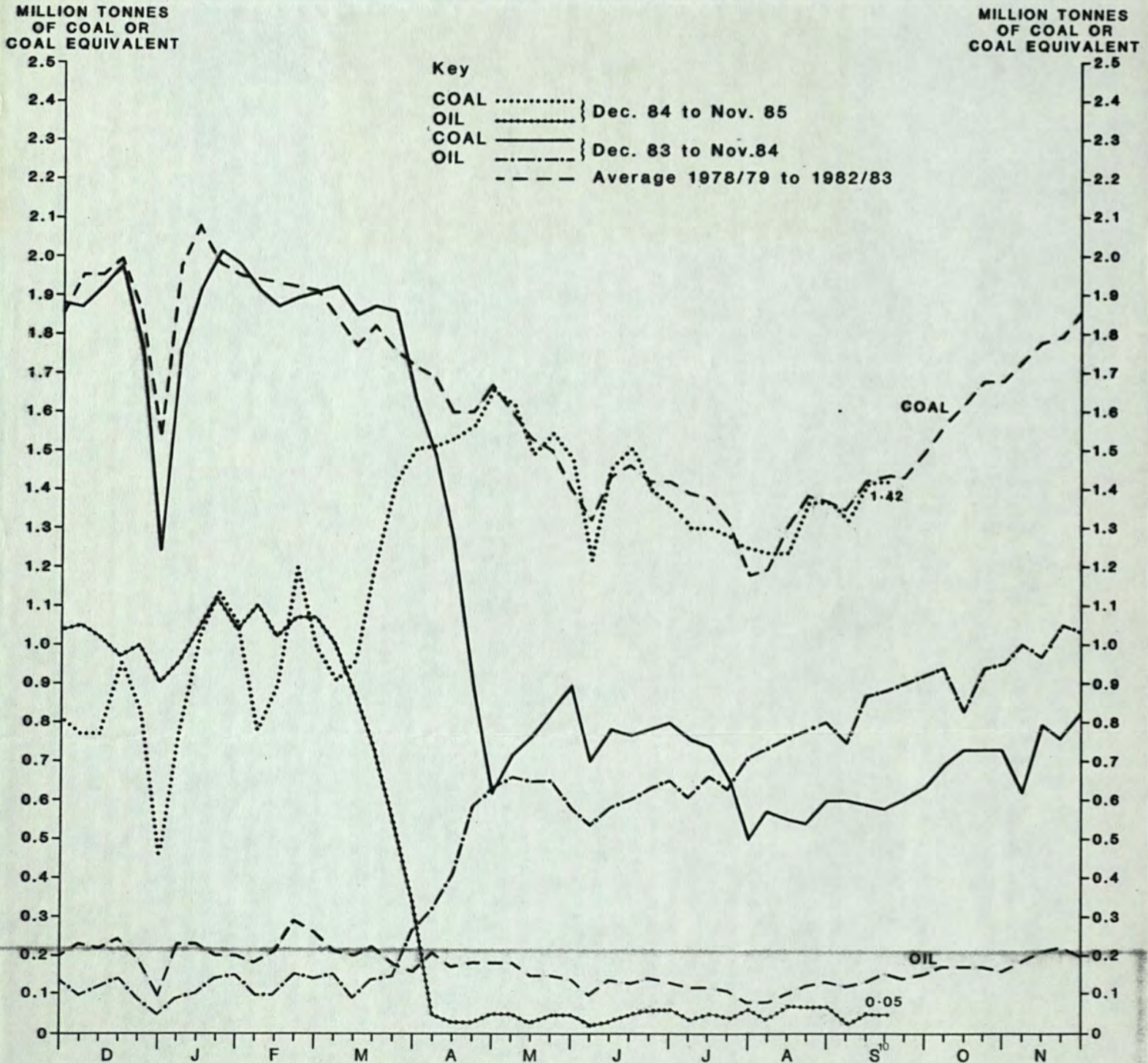
		17.9.83	15.9.84	24.8.85	31.8.85	7.9.85	14.9.85	
COAL	PRODUCTION							
	(m. tonnes)							
	TOTAL	2.09:	0.53:	1.76	1.37	1.85	1.80	
	deep mines+	0.30:	0.31:	0.34	0.26	0.32	0.33	
	opencast+	2.39:	0.84:	2.10	1.63	2.17	2.13	
COAL	PRODUCTIVITY(2)							
	(tonnes/manshift)	2.51:	2.44:	2.70	2.51	2.70	2.76	
	'overall'	10.47:	11.27:	11.60	11.05	11.54	11.88	
	'production'							
UNDISTRIBUTED STOCK								
(m. tonnes)	TOTAL	23.72:	22.52:	11.81	11.61	11.44	11.30	
COAL STOCKS	(m. tonnes)	32.75:	15.40:	20.14	20.37	20.92	21.37	
COAL CONSUMPTION	"	1.44:	0.58:	1.37	1.32	1.41	1.42	
COAL RECEIPTS	"	1.68:	0.65:	1.88	1.55	1.95	1.87	
POWER STATIONS	OIL STOCKS(3)	"	1.33:	1.34:	0.83	0.85	0.87	0.88
	OIL CONSUMPTION(3)	"	0.06:	0.52:	0.04	0.02	0.03	0.03
	OIL RECEIPTS(3)	"	0.09:	0.52:	0.04	0.05	0.05	0.03
ELECTRICITY SUPPLIED (4) (GWh)								
Nuclear	"	717:	781:	825	814	938	908	
Other Steam	"	3,441:	3,317:	3,225	2,989	3,279	3,448	
TOTAL	"	4,158:	4,098:	4,050	3,803	4,216	4,356	
TOTAL - temperature corrected	"	4,064:	4,141:	3,996	3,763	4,046	4,401	

(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.
 + includes licensed production. (5) Includes Summer Bank holiday.



CONFIDENTIAL

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



CONFIDENTIAL

COAL

You might find the following table useful as further background for the Prime Minister's meeting with Peter Walker this afternoon:

UK COAL DEMAND (m tonnes)		
	1983	1988
Power stations	81.565	65-70
Industry (including steel)	19.755	23.0
House coal and anthracite	7.872	7.0
Collieries and others*	2.283	2.0
Exports	6.561	4.6
Total demand	118.036	101.6/106.6
Less volume supplied by opencast	14.706	15
Less imports into UK	4.456	5-10
Total demand for deep-mined	98.874	76/81.6

* Miners' concessionary coal.
Source: 1983 figures Energy Trends, 1988 figures International Coal Report

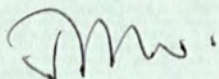
The source is the International Coal Report, an authoritative Financial Times publication.

The latest published forecast I have from the NCB is a paper presented at a seminar around the middle of 1985 by Michael Parker, the NCB's Head of Corporate Planning. For 1990, the NCB project coal demand from power stations in the range 73-82 mt pa (cf 65-70 in the table above). They put UK internal demand by 1990 in the range 98-113 mt pa (cf the FT's forecast of 97-102 mt pa for 1988).

I would draw your attention to the appreciable drop of coal demand for fuelling power stations - 82 mt pa in 1983 to 65-70 mt pa in 1988. This is due to the commissioning of 5 new AGRs and the Cross Channel Link with France. The CEGB are bound to put these new sources high up their merit order list, irrespective of the future price of coal; having made

the initial capital investment, the marginal cost is very low. The only possible comfort for the NCB is some indications that the underlying growth of electricity demand may now be higher than previously estimated.

I should perhaps add that my sources in the CEGB express surprise at the continued reluctance of the NCB to discuss future coal demand for electricity generation.



JOHN WYBREW

Further pit closures forecast

BY JOHN LLOYD, INDUSTRIAL EDITOR

A REPORT on the National Coal Board's market prospects shows that the board may have to cut up to 30 per cent of its current capacity over the next two to three years.

The forecast, in the forthcoming issue of the FT's International Coal Report, says the NCB may have to close some 56 pits by March 1987, on top of the 32 closed or marked for closure since January 1984, if it is to fulfill its government-imposed target of breaking even in two years' time.

The forecast is published as the board and the three mining unions gather in London today for a meeting of the Coal Industry National Consultative Council, at which the new Plan for Coal is expected to be unveiled.

Mr Ian MacGregor, NCB chairman, has already indicated that the plan will not contain any forecasts of demand or of production capacity. He has also said, however, that a capacity of 90m tonnes, which he hoped to preserve, might be above available demand.

The 32 mines closed or about to close represent a capacity cut of 11.1m tonnes, while a further 1m tonnes has been lost from face damage during the miners' strike. The ICR says: "If the board is to meet its target, a further 19.3m tonnes will have to be trimmed before April 1987, when government funding

UK COAL DEMAND (m tonnes)		
	1983	1988
Power stations	81.565	65-70
Industry (including steel)	19.755	23.0
House coal and anthracite	7.872	7.0
Collieries and others*	2.283	2.0
Exports	6.561	4.6
Total demand	118.036	101.6/106.6
Less volume supplied by opencast	14.706	15
Less imports into UK	4.456	5-10
Total demand for deep-mined	98.874	76/81.6

* Miners' concessionary coal.

Source: 1983 figures Energy Trends, 1988 figures International Coal Report

of the board ends.

It goes on: "Despite all the suffering of the last 12 months, little the board has done has changed its performance; by the end of August, an output rate of 2.69 tonnes a manshift was achieved — streets away from the targeted 4 tonnes a manshift."

The report gives a range of demand of between 76m tonnes and 81.6m tonnes for deep-mined output by 1988, compared with a market of 98.9m tonnes in 1983.

It says that the coming into operation of five advanced gas cooled reactor stations, coupled with the laying of a 2000MW capacity electricity link to France, will lose the board sales of about 15m tonnes to the electricity market.

Steel and domestic consumers have both turned to imports for a larger proportion of their demand since the strike.

Exports, it is thought, will continue to be depressed. Only in industrial markets is any rise foreseen—an increase of around 5m tonnes within the next few years.

Over the next two years, demand will be relatively high because of the need of the Central Electricity Generating Board to rebuild coal stocks, which could go as low as 6m tonnes this winter.

However, this 10m tonnes of extra demand a year will come to an end in 1987, at the same time as the extra nuclear and French capacity becomes available and as government backing is ended.

● The proposed breakaway from the National Union of Mineworkers of the 3,000 South Derbyshire miners was backed yesterday by 50 branch delegates at a special meeting.

Burning issues for NCB,
Page 12

ish
up,
ore
an
for
of
out
in
p's
ry
he
ng
ks
ry

25/9/85

975 - 9120'

WEEKLY COAL AND POWER STATION STATISTICS (1)

23 September 1985

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

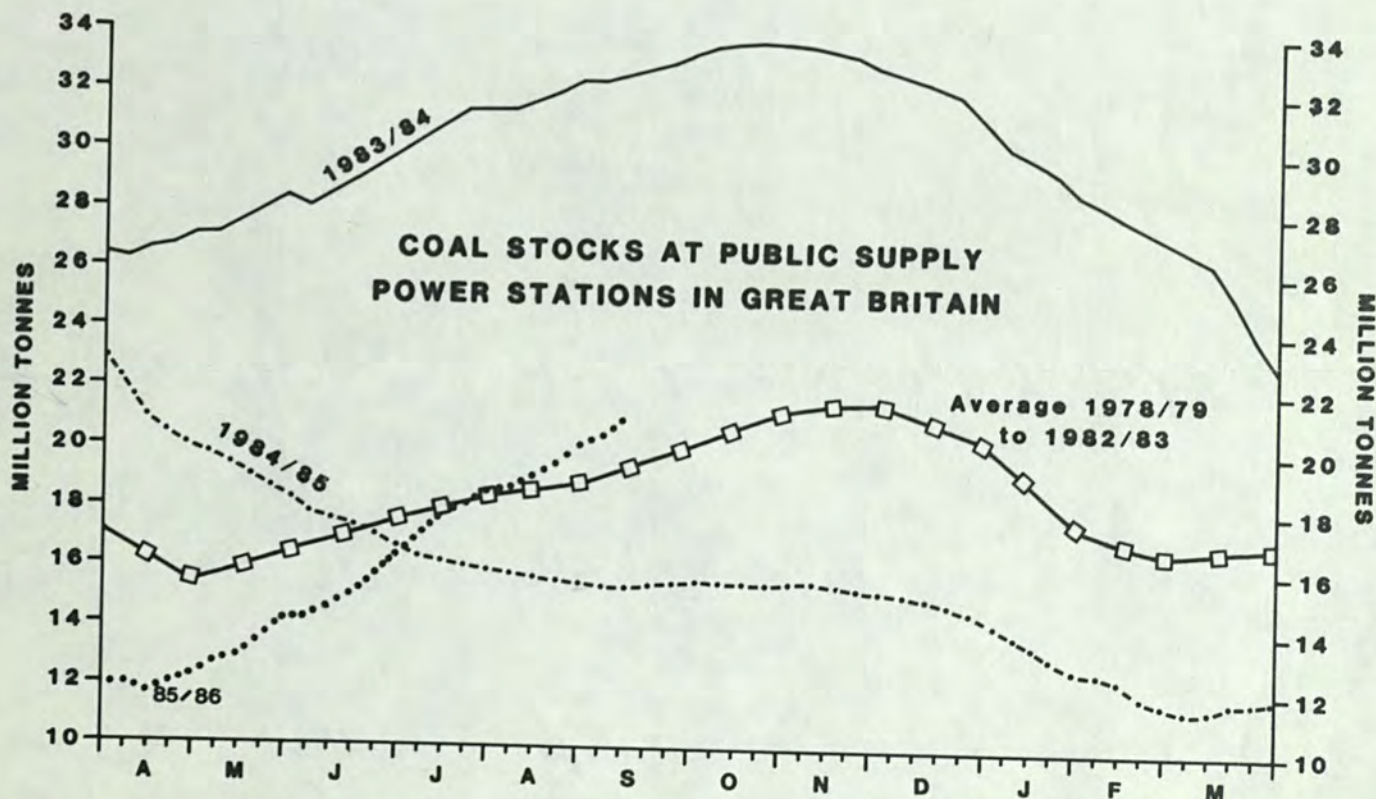
Week ending 10.9.83 8.9.84 17.8.85 24.8.85 31.8.85 7.9.85
(5)

COAL			10.9.83	8.9.84	17.8.85	24.8.85	31.8.85	7.9.85
COAL	PRODUCTION	deep mines+	1.81:	0.50:	1.74	1.76	1.37	1.85
	(m. tonnes)	opencast+	0.33:	0.30:	0.30	0.34	0.26	0.32
	TOTAL		2.14:	0.80:	2.03	2.10	1.63	2.17
COAL	PRODUCTIVITY(2)	'overall'	2.43:	2.36:	2.64	2.70	2.51	2.70
	(tonnes/manshift)	'production'	10.41:	11.15:	11.38	11.60	11.05	11.54
	UNDISTRIBUTED STOCK							
	(m. tonnes)	TOTAL	23.66:	22.54:	12.16	11.81	11.61	11.44
POWER STATIONS	COAL STOCKS	(m. tonnes)	32.50:	15.33:	19.63	20.14	20.37	20.92
	COAL CONSUMPTION	"	1.39:	0.59:	1.37	1.37	1.32	1.41
	COAL RECEIPTS	"	1.57:	0.59:	1.86	1.88	1.55	1.95
	OIL STOCKS(3)	"	1.30:	1.32:	0.83	0.83	0.85	0.87
	OIL CONSUMPTION(3)	"	0.05:	0.51:	0.04	0.04	0.02	0.03
	OIL RECEIPTS(3)	"	0.04:	0.62:	-	0.04	0.05	0.05
	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	675:	714:	831	825	814	938
	Other Steam	"	3,308:	3,304:	3,224	3,225	2,989	3,279
	TOTAL	"	3,983:	4,018:	4,055	4,050	3,803	4,216
TOTAL - temperature corrected	"							
			3,894:	3,946:	3,958	3,996	3,763	4,046

(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.

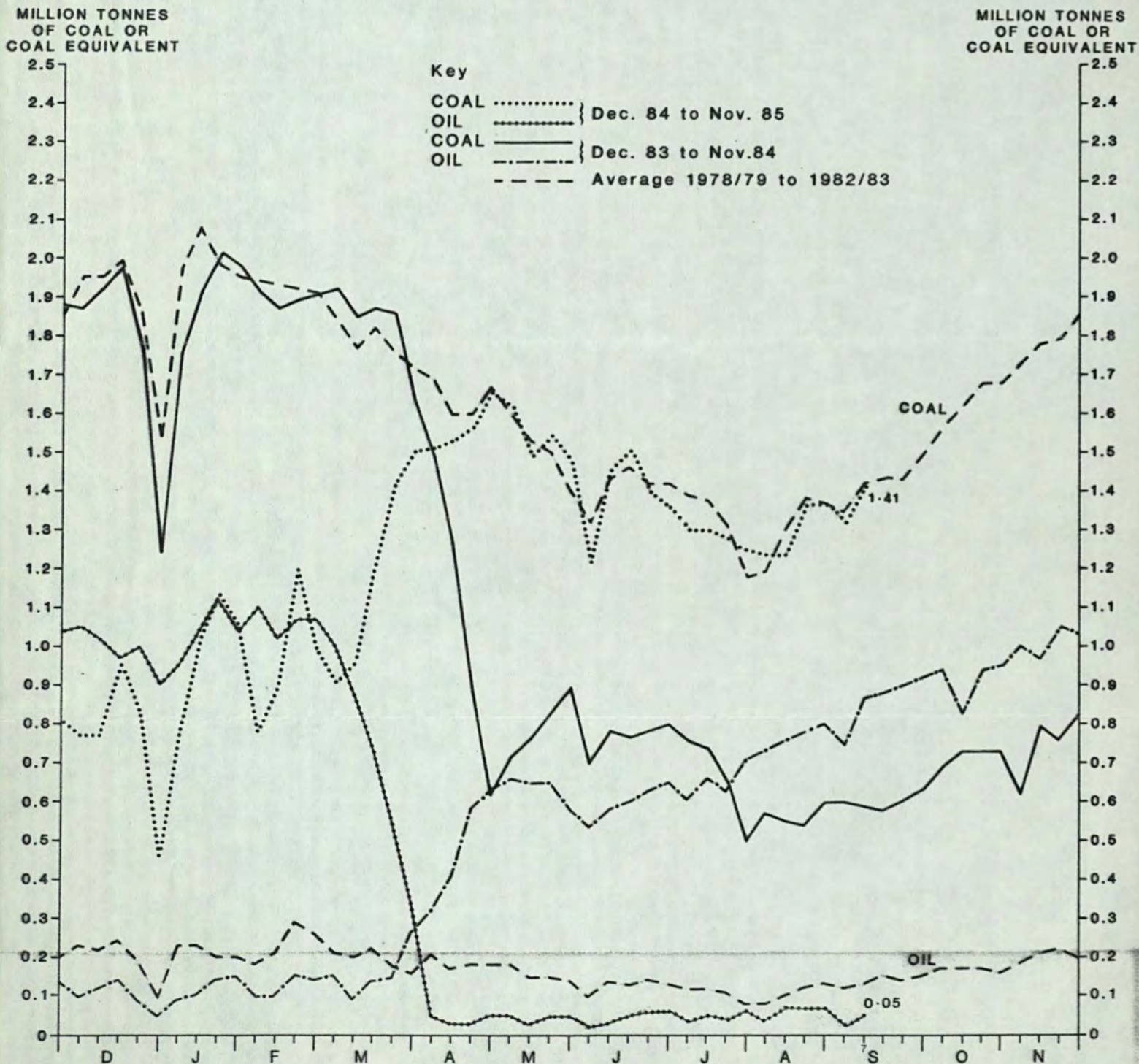
+ includes licensed production. (5) Includes Summer Bank holiday.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL



CONFIDENTIAL

PRIME MINISTER

23 September 1985

STRUCTURE OF THE COAL INDUSTRY - MEETING WITH PETER WALKER

The danger is that the NCB's new Plan for Coal will be presented and widely perceived as the complete blueprint for a viable UK coal industry. However, the signs are that, at best, it will represent only the first limited step on that road - albeit a necessary one. Ian MacGregor is now on record (interview with International Coal Report) that the new Plan for Coal will entail the closure of 30 mt pa of uneconomic deep-mined capacity over the next two years (net reduction 10 mt pa to 90 mt pa). Yet he recognises that the remaining capacity is still likely to be more than the market will bear.

We would see the objectives of your meeting with Peter Walker as two-fold:

- To impress on Peter Walker that the Government must set its sights, and systematically work towards, the goal of a diverse, privatised, and therefore market-responsive, coal industry working within a legislative framework akin to that for oil and gas. (The Chancellor's note of 2 September 1985 sets this out in some detail.)

- To agree with Peter Walker that, in pursuit of this goal, work should be commissioned from a restricted group of officials (eg, Department of Energy, Treasury and Policy Unit) to examine the options, the practicalities of

CONFIDENTIAL

implementing them, including the legislative implications, and the possible timing.

In outline, the remit for this exercise - which Peter Walker will no doubt want to treat as highly confidential - would be as follows:

1. The new coal licensing régime

Aim: Creation of a coal licensing regime and associated legislative framework akin to that for oil and gas. Transfer licensing authority from the NCB to the Government; likewise, responsibility for safety and the maintenance of good mining standards. Remove the NCB's monopoly over coal extraction. The Government's share of economic rent is collected through taxes and royalty.

Analysis needed: Assess the size and complexity of the legislative task, the possible timing, the staffing implications and policy issues such as the basis for awarding licences (eg, competitive auction bidding or discretionary allocation on the basis of work and investment commitments).

2. Privatisation programme

Aim: The free play of competitive commercial forces between a diversity of private sector participants. Begin by launching into the new licensing régime, the open cast coal sites - preferably with the licences awarded on the basis of

CONFIDENTIAL

- 3 -

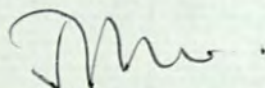
competitive auction bidding. Follow by reducing the NCB to a core of profitable deep-mining elements and privatising it like Britoil. In the process, spin off marginal deep-mining operations through employee buy-outs or sales to private sector companies.

Analysis needed: Having regard to the new coal licensing régime, consider the phasing and the financial implications of implementing the privatisation programme.

3. Structural changes within the existing legislative framework

Aim: To lay the foundations for the privatisation programme, encourage NCB initiatives to decentralise into viable, freestanding business units; likewise, encourage decentralised initiatives to conclude productivity schemes tailored to local circumstances. Thereby, counter NUM efforts to control a monolithic centralised NCB.

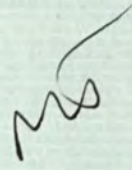
Analysis needed: What degree of decentralisation is possible within existing legislation? What form of decentralisation is suggested by normal business principles? What role would remain for Hobart House? What further steps would facilitate privatisation of the NCB's economic deep-mined capacity?



JOHN WYBREW

CONFIDENTIAL

9 D. R.



PRIME MINISTER

NOTTS MINERS

Mr Cowan paid a farewell call on Mr Walker yesterday. Mr Walker wanted you to be informed about one point from the conversation.

Cowan said that the Coal Board (or at least a part of the Board) felt they should recognise the Notts breakaway NUM members as a new union and start negotiations with them now. Cowan said that support for the breakaway union was ebbing away and some members of the Board thought it needed bolstering.

Mr Walker pointed to the risks. The breakaway members had not yet held a ballot or received their certification. A more famous member of the NUM had already come to grief in part through not having held a ballot. Mr Scargill might take the breakaway union to court and if they lost it would be a disaster.

Cowan in reply said that there was a school of thought that the July ballot on the rule changes was adequate to allow the new union to be set up.

Lawyers representing the Board and the Notts men are to meet on Monday. Lawyers from Department of Energy and Department of Employment will be working over the weekend to consider what advice they can give.

The Board have as yet taken no decisions.

COMMENT

The Secretary of State seems fully aware of the risks in the

course of action the Board are considering. Unless you have more specific comments, I would emphasise on Monday to Department of Energy your concern that the Board should not act precipitately.

Duty Clerk

PP David Norgrove
20 September 1985

PRIME MINISTER

ADVANCE WARNING OF TWO SENSITIVE ISSUES LIKELY TO APPEAR IN
THE WEEKEND PRESS

1. The (US) Boston Globe has ^{the} a story that Ian MacGregor persuaded Paul Getty Jr to contribute £150,000 to the working miners, and that on return from your recent holiday you went to a clinic, with Lord Gowrie to thank Getty for all he had done for Britain, including the contribution to the miners! If asked, our Press Office will acknowledge Mr Getty's great generosity to the British nation in e.g. his National Gallery benefaction and say that it is up to him to decide how he spends his money. They will not be drawn on the working miners' contribution.

2. There may well be some unpleasant stories in the News of the World about Princess Anne and her former detective. So far, the Palace are declining to comment.

N.h.W.

20 September 1985

WEEKLY COAL AND POWER STATION STATISTICS (1)

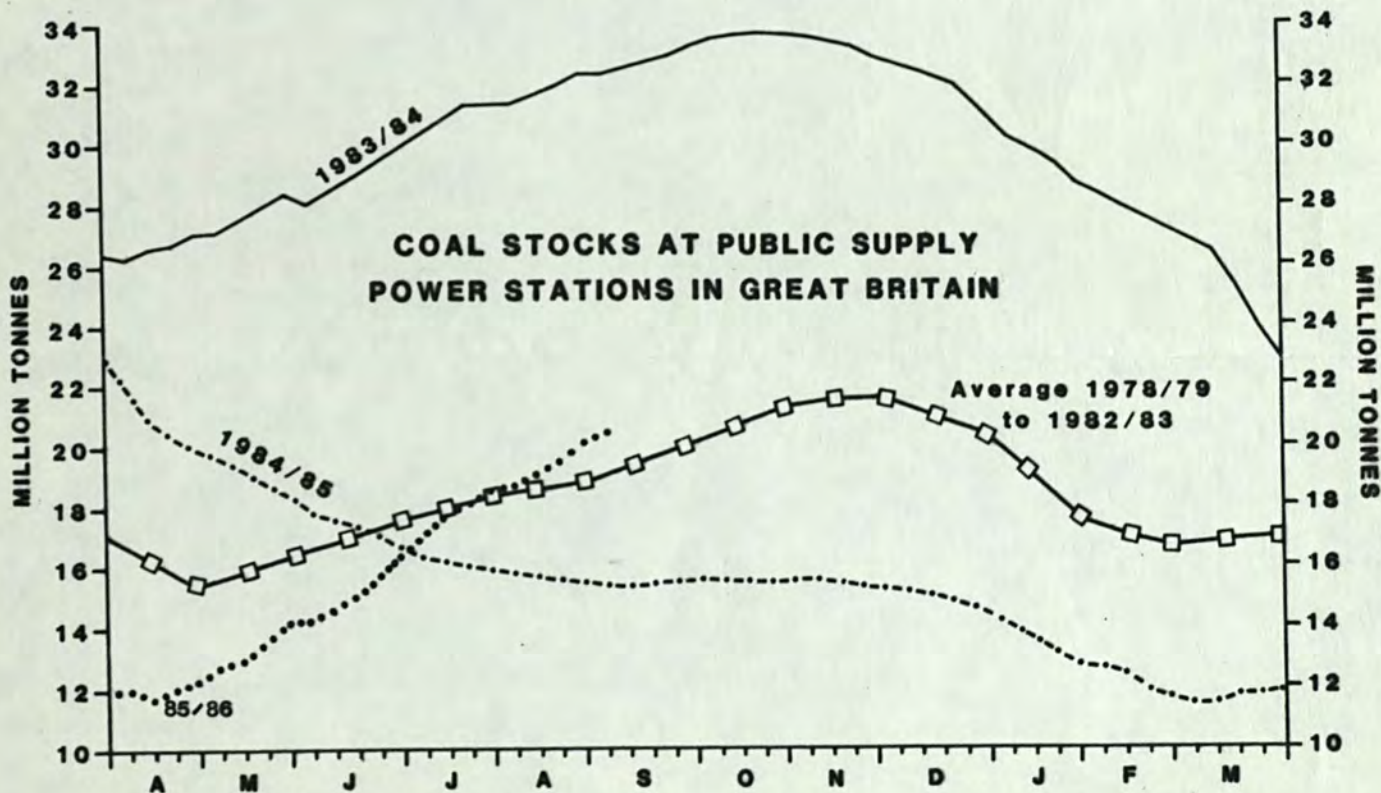
16 September 1985

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

Week ending 3.9.83 1.9.84 10.8.85 17.8.85 24.8.85 31.8.85
(5) (5) (5)

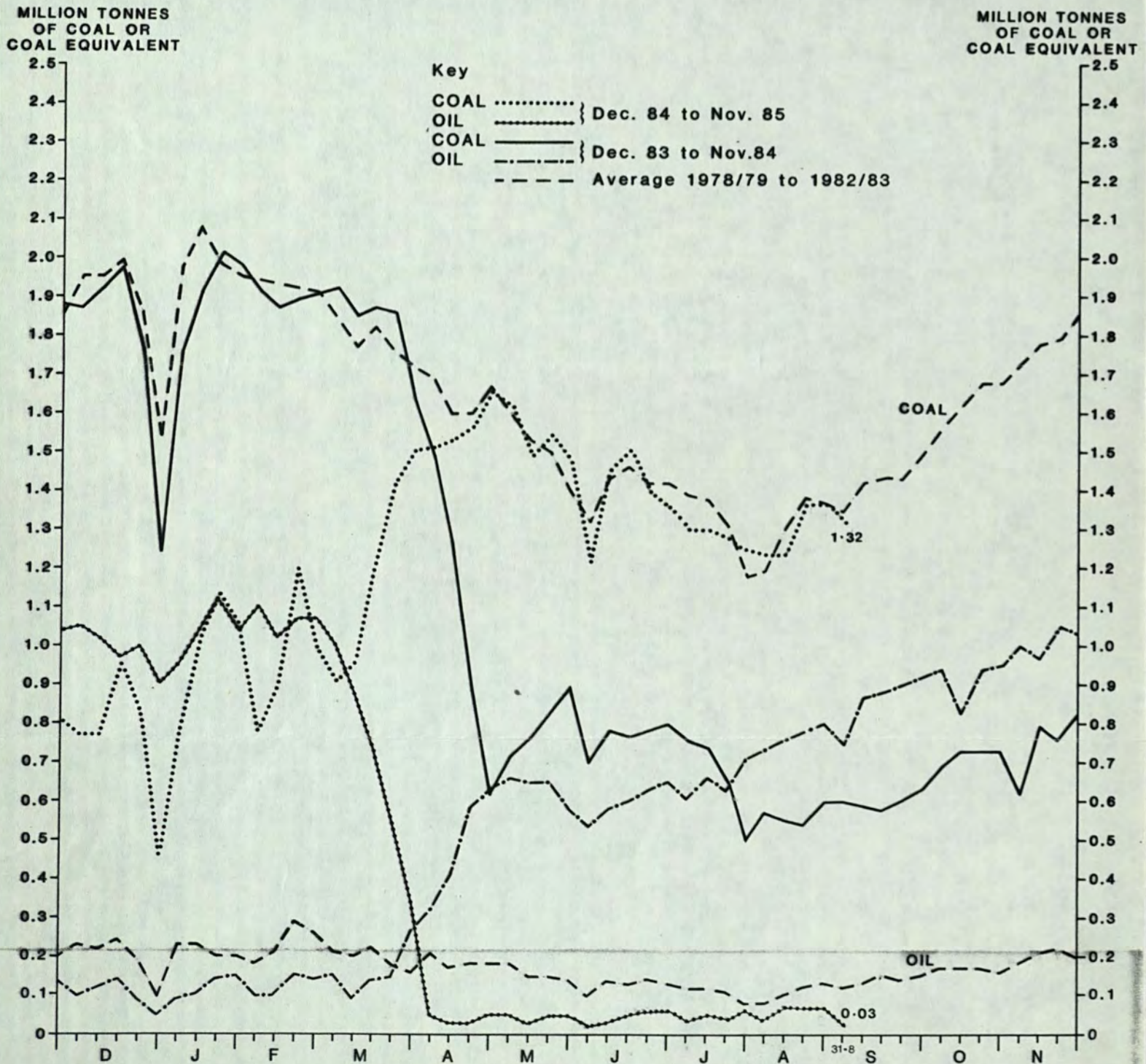
COAL			3.9.83	1.9.84	10.8.85	17.8.85	24.8.85	31.8.85
COAL	PRODUCTION	deep mines+	1.47:	0.29:	1.36	1.74	1.76	1.37
	(m. tonnes)	opencast+	0.27:	0.25:	0.27	0.30	0.34	0.26
	TOTAL		1.73:	0.53:	1.63	2.03	2.10	1.63
COAL	PRODUCTIVITY(2)	'overall'	2.28:	1.99:	2.37	2.64	2.69	2.51
	(tonnes/manshift)	'production'	9.78:	9.60:	10.58	11.38	11.60	11.05
UNDISTRIBUTED STOCK								
(m. tonnes)	TOTAL		23.67:	22.52:	12.48	12.16	11.81	11.61
POWER STATIONS								
COAL STOCKS	(m. tonnes)		32.32:	15.33:	19.14	19.63	20.14	20.37
COAL CONSUMPTION	"		1.30:	0.60:	1.24	1.37	1.37	1.32
COAL RECEIPTS	"		1.34:	0.41:	1.67	1.86	1.88	1.55
OIL STOCKS(3)	"		1.31:	1.18:	0.86	0.83	0.83	0.85
OIL CONSUMPTION(3)	"		0.04:	0.44:	0.04	0.04	0.04	0.02
OIL RECEIPTS(3)	"		0.09:	0.54:	-	-	0.04	0.05
ELECTRICITY SUPPLIED (4) (GWh)								
Nuclear	"		642:	741:	866	831	825	814
Other Steam	"		3,046:	3,006:	2,995	3,224	3,225	2,989
TOTAL	"		3,689:	3,747:	3,861	4,055	4,050	3,803
TOTAL - temperature corrected	"		3,677:	3,893:	3,728	3,958	3,996	3,763

(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.
 + includes licensed production. (5) Includes Summer Bank holiday.



CONFIDENTIAL

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



CONFIDENTIAL

FINANCIAL TIMES INTERNATIONAL COAL REPORT, 13/9/1985

FAX FROM : K. Baeston, Press Officer, National Coal Board.

To: S. Echantell, Senior Information Officer, Dept.
of Energy (Fax: 211 4506)

Pamie Swister 2

This is the interview
revised to you by R Walker.NCB STARTS FINAL PUSH TO PROFIT: MACGREGOR SPEAKS TO ICR Def 28/9

A meeting due next Friday between the National Coal Board (NCB) and the mine unions will see the start of another push by board chairman Ian MacGregor to head the state coal producer on a route to profitability. It could mark the final round in the struggle between the unions and the board - a struggle which started with an overtime ban over a pay settlement almost two years ago. Despite the severity of this dispute and the comprehensive defeat of the National Union of Mineworkers in March after its year-long strike it is clear that the pace of mine closures is still, from the board's point of view, extremely slow and has had no impact on its performance. Because of the importance of the next week's meeting (of the curiously acronymed CINCC - the Coal Industry National Consultative Council) ICR has prepared a special study on how it sees UK and demand developing in the next few years. This will appear in the next issue. This week Ian MacGregor spoke to International Coal Report.

UK deep-mined coal production is to be trimmed to 90m tonnes (t) a year, National Coal Board chairman Ian MacGregor confirmed to ICR this week. This target figure, though widely touted, has never before received official confirmation by either the board or the chairman. "Our managers are aware of that and therefore the public is aware of it," said MacGregor, displaying a lack of trust in the NCB's management to honour company confidentiality. The figure looks, at first sight, a relatively modest 10mt reduction on pre-strike capacity levels. In reality, with 20mt of new underground capacity already under construction, the 90mt means the closure of 30mt of output. And these closures, MacGregor clearly believes, must take place before government funding for the coal board ends in March 1987.

Erosion of
electricity
market

"Over the next two years we have got to show an effective improvement otherwise we will be in very real trouble," said MacGregor. This two-year time frame fits in with ICR special study which shows a sudden collapse in demand in 1987. This drop stems from the simultaneous end of the current power station stockbuild being conducted by the Central Electricity Generating Board, and the arrival on the grid of the last of the AGR nuclear reactors which, between now and 1988, threaten to displace 13mt/yr of power station coal. If this was not enough the opening of the Channel link to France threatens another 4mt/yr of coal burn. But as the ICR study shows, the strike has lost the NCB 2mt of coking coal (the British Steel Corporation has moved substantially to imports) and 1mt of

house coal; with a marked shift from coal to gas central heating during 1984.

Did MacGregor believe that demand would be sufficient to keep 90mt of capacity in business. "No," said the chairman. "We are trying to expand our production in those areas which will reduce our costs and diminish our production in those areas which are way over cost in the hope that we can market the 90mt without losing our shirts."

And MacGregor made it clear that he sees the excess production being available for exports - but they will not, as in the past, be subsidised exports. "We believe that we have got to compete with the Australians, Colombians, the Canadians and, to some extent, the southern US. For the European market we can probably do something for those markets that require transshipment. Inside this decade we are talking about 4mt-5mt at best. Potentially by the end of the decade, the market increases. If we get our costs right and if sterling is priced properly against the European currencies and does not continue to have a premium because of its petroleum situation... we would expect to have increasing opportunities."

But declining sterling values will not be enough, MacGregor admits returning to the essential nature of the two-year battle between the board and the NUM over coal production costs. The target MacGregor is aiming for is for the NCB to mine coal at under £40 £/tonne at the mine, without any need for subsidies. This would require a 50% improvement in productivity taking the average from the near-record 2.69t/manshift achieved in the last week in August to around 4t/manshift, with some mines achieving substantially more. In energy terms MacGregor reckons the board should stop producing coal at £1.50/GJ and above (UK power station coal has a gross calorific value of 24.1GJ/t according to the CEGB). "The US is selling coal at £1/GJ... I do not think the British electricity generating companies want to be disadvantaged, vis-a-vis the Americans," said MacGregor.

"We don't
fight fair..."

With many UK markets already eroding did MacGregor feel threatened by the increased interest being shown in the UK by coal exporters? "We are going to fight that one. As you know we don't fight fair because we have social grants. I would caution them against putting money into that business... I think we will meet any competition. The only way we can achieve stability is by defending our market. And anyone who thinks they can nick big chunks of our market has another think coming."

On coal qualities MacGregor scotches views that the NCB will be in a position to sell coking coal abroad - a prospect raised by the recent interest in a countertrade arrangement with Romania. "We don't have the coking coal. We have nothing at a price which keeps us competitive." This would seem to rule out the possibility of developing the Margam coking deposit in south Wales. "Here again it's a question of economics. Who's going to buy it. BSC (the British Steel Corporation) would take it provided we match world prices. At world prices it's not a viable enterprise," concluded MacGregor.

On anthracite, MacGregor believes there is a substantial tonnage waiting to be mined which would see an end to the current 400,000t-500,000t import levels within three to five years. "There's lots and lots of anthracite which is available around the periphery of the anthracitic areas which can be opencast but there's a sort of

unholy alliance between the local councils and the NUM which seems to have this general philosophy that we don't dare let people mine this by opencast because the coal board will then shut down the underground mines. Well, they're probably correct; they're analysing the economics correctly. But it does seem to be very silly because the country quickly makes up for that by importing it," said MacGregor.

Despite month upon month of opposition from almost all quarters - the unions, all levels of NCB management, the energy department and even Downing Street (where he was recently given the dual message "Mr MacGregor: You're not moving fast enough, you're not closing pits sufficiently swiftly, you're not changing attitudes fast enough. And you have got to go easier on the men," one of those present told ICR); despite all this MacGregor remains unshaken on his course. Indeed he almost seeks to cultivate a cartoon-like image of himself as a heartless butcher: "I've had a good day today. Let me see, how many pits have we closed today," he said to ICR during this week's interview. (In fact, the board had reprieved the apparently-doomed Polmaise pit in Scotland. He had also lost the services of a second chief spokesman within a year when Michael Eaton, shortly due to have taken over as the board's director of personnel, resigned. After clear differences between Eaton and both MacGregor and deputy chairman Jimmy Cowan showed no signs of ending, Eaton quit the board. Less than two months ago the highly-respected late Geoff Kirk was dismissed/resigned after differences with the chairman.)

Low profile
meeting

But while none of this friction sways MacGregor, it is clear that next week's meeting with the unions will not be the high-profile clash that started last year's strike. "We will probably table some views on the principles under which we should operate from here on. But it would be nonsense, balderdash, to publish specifics. We are working in a moving target market. We will try to establish the principals we are going to work to."

But time, and government funding, is running out for the board, and of that MacGregor has no doubt. "Our problems is about two years out. We are a bit like one of those airplanes on an aircraft carrier. Two years out and we have got to be flying or we will otherwise be in the drink. That's the point our employees don't understand; they are living on borrowed time."

~~CLUTHA BID CONSORTIUM ATTRACTS SECOND BP EXECUTIVE~~

The sale of BP-Clutha's Burratorang Valley coal mines to a consortium headed by Fred Millar is shaping up as a move of far-reaching significance in the Australian coal scene (ICR 130/10) details of the moves being contemplated by the new group are still under wraps and are being protected by a confidentiality agreement signed by BP and the new partners. However, following the signing of a letter of intent on the A\$30m (US\$20.6m) deal, full contracts are expected to be exchanged around mid-September. The new company, F.W. Millar Consortium, will then be in a position to emerge as full operator of the Burratorang Valley mines in early October. J Doherty, head of BP Coal Australia, has joined the consortium. Doherty, as close to an intellectual as one is likely to find in the Australian industry, is a strong marketer and advocate of a more co-ordinated marketing effort by Australian producers on international markets especially in Japan.

PRIME MINISTER

STRATEGY FOR THE COAL INDUSTRY

An elaboration of the procedure for carrying matters forward suggested in David's note.

Call Mr. Walker over for a discussion. Out of this discussion would come a remit, which we would send him in writing - for him to produce a paper, in consultation with the Treasury, on the industry's future. The Treasury (and the Policy Unit) could ensure that this paper would cover the sort of options referred to in the Chancellor's minute, even if Mr. Walker did not back them.

N.L.W.

NIGEL WICKS

13 September 1985

CONFIDENTIAL



10 DOWNING STREET

From the Principal Private Secretary

RICHARD HATFIELD

The attached was handed to me by Michael Alison, the Prime Minister's Parliamentary Private Secretary, during the Prime Minister's tour of the North. I do not know who gave it to Michael.

I am not sure how interesting the letter is, or indeed whether it is genuine. But you might like to bring it to the attention of anyone in Government whom you think might be interested in it.

I ask you to do this since I do not want it to be known that it was handed to the Prime Minister's party during her tour. No doubt you will let me know if it discloses anything of particular interest.

12 September 1985

CONFIDENTIAL

KEVIN L. WILLIAMS
MICHAEL SEIFERT
ALEXIS GROWER
LARRY C. ...
JOHN B. ...
DON J. ...
STEPHEN COTTINGHAM
SARAH BURTON

Associate Solicitor
LOUISE CHRISTIAN

Consultants
WILLIAM SEDLEY
JAMES NICHOL

Our ref. MS.JD.
Your ref.

3 Dyers Buildings, Holborn,
London EC1N 2JL
Telephone 01-405 3876 (5 lines)
01-405 6256 (5 lines)

Telex 8953097 SEISED G
DX 425 London

23rd August, 1985

Dear Mr Scargill,

Thank you for sending me a copy of the letter from Mr Bell of COSA to yourself dated 22nd July 1985. I apologise for the delay in replying which was caused by holidays. I also wanted to have an opportunity of consulting with John Hendy of Counsel before replying in detail. I would comment on the three points raised by Mr Bell as follows:

1. Strike Action

Rule 26 of the new National Rules governs all industrial action. One of the purposes of the drafting was to accommodate the provisions of the 1984 Trade Union Act. Hence Rule 26B protects the National Union from legal liability in respect of industrial action which has not been specifically approved by the NEC and which was not protected by statute. Rule 26A preserves (from the old Rule Book) the power of Areas to call strikes providing they report them to the NEC and obtain sanction. Rule 26E preserves the requirement to hold a national ballot where a national strike is proposed. Rule 26C gives the NEC itself power to call industrial actions in Areas or sections of Areas. There is, in our view and that of Counsel, an implied term in relation to strike action that the members of a Constituent Association cannot be ordered by the NEC under Rule 26(C) to take strike action in contravention of the Rules or policy of the Constituent Association. There is, of course, another factor - namely the 1984 Trade Union Act which makes it unlawful to sanction strike action without a prior ballot of the members.

Thus the Rules relating to industrial action are perfectly lawful, but any action which is in breach of the Rule (including the implied Rule) or in breach of the statute would be unlawful.

2. Membership of COSA

Rule 17 makes clear the distinction between Areas and Constituent Associations. All Areas at present either are Constituent Associations or are comprised of groupings of Constituent Associations. The autonomy of Constituent Associations is reflected in Rule 17D which does not give power to Conference or the NEC to restructure Constituent Associations though Rule 17C restates the old Rule requiring Constituent Associations who wish to restructure themselves to obtain approval of Conference.

P.T.O.

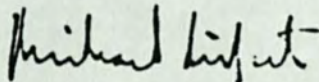
As a Constituent Association COSA's right to retain its members is unaffected by the changes in Rules. As an Area COSA has already been "allocated" its members and stands in the same position as any other Area.

3. Area Consultation

There is no restriction of any requirement in Area Rules for Areas to consult their membership by way of ballot on wages or industrial action. The Rules do however require that the democratic processes are adhered to in relation to Branches, Area Executives and Area Councils on every issue. Nevertheless the 1984 Trade Union Act requires a ballot prior to strike action called by an Area, and, as before, strike action called without a ballot would be unlawful and render the Area liable.

I would be happy to advise further if required.

Yours sincerely,



MICHAEL SEIFERT
SEIFERT SEDLEY WILLIAMS

SECRET



Prime Minister 2
To note that the Chancellor is prepared to see £150,000 for Haslam's salary. 25

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

DLN
12/9.

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

11 September 1985

DLN *Peter Walker*

NATIONAL COAL BOARD: SIR ROBERT HASLAM'S SALARY

Further to my letter of 10 September, I have now considered fully your salary proposals for Bob Haslam.

You say that Haslam is not prepared to see his income reduced. But a salary of £150,000 would be far above any other nationalised industry Chairman and is bound to be criticised and quoted against us in negotiations on other nationalised industry appointments. Haslam has, to my certain knowledge, long been interested in the NCB Chairmanship and he does have a sense of public duty. I would therefore be grateful if you would try to negotiate a lower figure although, in the last resort and to secure the appointment, I would accept the need for you to go up to £150,000.

Whatever the outcome I would not wish to see his salary further reviewed until 1 November 1987, the effective date of the 1987 NCB Board pay review. Subject to that, I am also prepared to agree that, exceptionally, from the time he becomes a full-time NCB Deputy Chairman Haslam may be paid at the rate to be agreed for his NBC chairmanship.

You mention that Haslam's pension arrangements seem unlikely to create problems. Our officials will need to discuss this and his NCB pay will need to be abated by any pension that he might draw based upon his service with the British Steel Corporation.

I presume that while Haslam is a part-time NCB Deputy Chairman he will not receive any pay from NCB.

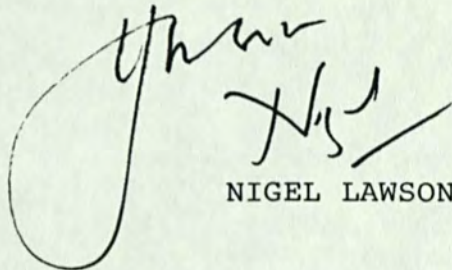
I see no objection in principle to taking account of the loss of his Tate & Lyle share option when agreeing his remuneration provided the terms are acceptable. We cannot relate his NCB pay to the future performance of Tate & Lyle and we cannot use his own guesses when determining the value of the option.

SECRET

I would be content with buying out his option at whatever market price applies when he leaves Tate & Lyle and I suggest our officials agree the details of this.

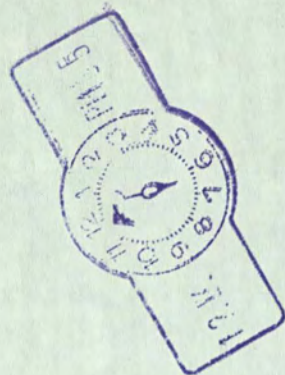
Taken together, I think this results in a satisfactory package, although clearly a salary well below £150,000 is greatly to be desired. Whatever the outcome, we will have to defend the salary, and to prevent any repercussions on the pay of other NCB Board members and other nationalised industry Chairmen.

I am copying this letter to the Prime Minister, Leon Brittan, and to Sir Robert Armstrong.



NIGEL LAWSON

NAT IND : Coal : Pt 18



File

WEEKLY COAL AND POWER STATION STATISTICS (1)

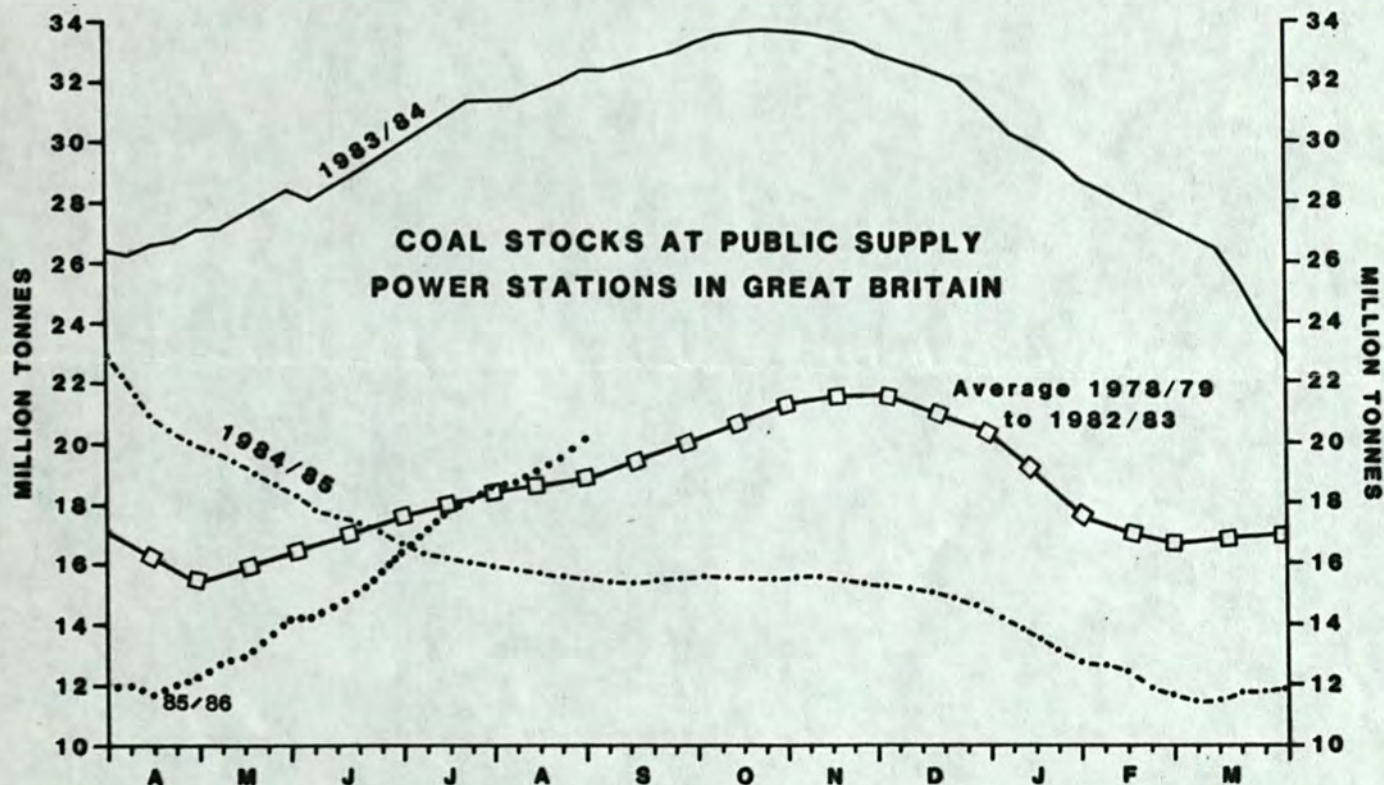
9 September 1985

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

Week ending 27.8.83 25.8.84 3.8.85 10.8.85 17.8.85 24.8.85

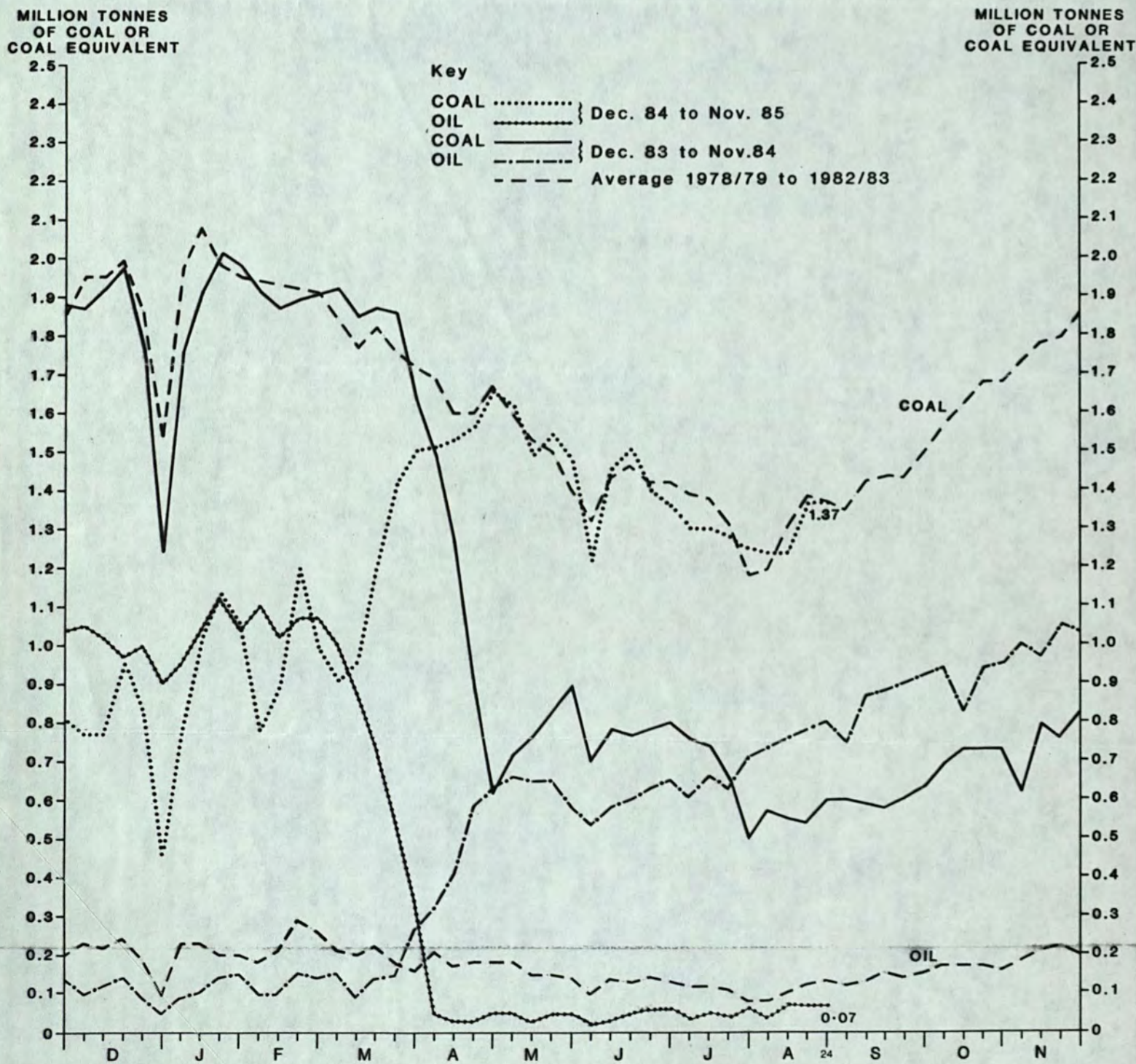
COAL			27.8.83	25.8.84	3.8.85	10.8.85	17.8.85	24.8.85
COAL	PRODUCTION	deep mines+	1.93:	0.48:	0.84	1.36	1.74	1.76
	(m. tonnes)	opencast+	0.31:	0.30:	0.20	0.27	0.30	0.33
	TOTAL		2.24:	0.77:	1.04	1.63	2.03	2.09
COAL	PRODUCTIVITY(2)	'overall'	2.41:	2.36:	2.19	2.37	2.64	2.69
	(tonnes/manshift)	'production'	10.14:	11.27:	11.68	10.58	11.38	11.60
UNDISTRIBUTED STOCK								
	(m. tonnes)	TOTAL	23.62:	22.53:	12.68	12.48	12.16	11.81
POWER STATIONS								
	COAL STOCKS	(m. tonnes)	32.28:	15.53:	18.71	19.14	19.63	20.14
	COAL CONSUMPTION	"	1.30:	0.60:	1.24	1.24	1.37	1.37
	COAL RECEIPTS	"	1.59:	0.51:	1.35	1.67	1.86	1.88
	OIL STOCKS(3)	"	1.25:	1.08:	0.90	0.86	0.83	0.83
	OIL CONSUMPTION(3)	"	0.04:	0.47:	0.02	0.04	0.04	0.04
	OIL RECEIPTS(3)	"	0.08:	0.71:	0.02	-	-	0.04
ELECTRICITY SUPPLIED (4) (GWh)								
	Nuclear	"	719:	701:	797	866	831	825
	Other Steam	"	3,040:	3,207:	2,865	2,995	3,224	3,225
	TOTAL	"	3,760:	3,908:	3,662	3,861	4,055	4,050
TOTAL - temperature corrected		"	3,895:	4,119:	3,585	3,728	3,958	3,996

(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.
 + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL



Prime Minister

To note.

2

DRN
9/9.

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

The Rt Hon Peter Walker MBE MP
Secretary of State for Energy

6 September 1985

John Peter

no

COAL STOCKS

Thank you for your letter of 4 September.

I agree that you need to tell the industries quickly about our decision on 24 July on restocking. As regards the financial implications for 1985-86, our decision will affect both the NCB and the ESI. It will be necessary to reduce the NCB's EFL below the figure you recently announced to reflect the benefit they will gain from selling additional coal to the ESI.

An EFL for 1985-86 has yet to be set for the ESI. Our decision on 24 July opens the way to do this and it is important that an EFL is fixed quickly so that proper financial disciplines are re-established. I understand that the latest monitoring information for the ESI shows a further deterioration in their finances and I hope that, in talking to the industry, you will emphasise the need to put this right.

On this basis I would be prepared to agree that, as we have ruled out a further electricity price increase this year, the EFL we set the ESI for 1985-86 should provide finance to rebuild stocks to 22 mt by March 1986.

Handling the 1985-86 costs in this way is, of course, no more than a temporary solution. I remain of the view that the ESI's stocks should be financed by electricity consumers. They benefitted from the continuity of supply provided by coal stocks during the last strike and it is they who would benefit in any future dispute. This view may well be more acceptable to the CEBG than to the Area Boards and you will no doubt be talking to Walter Marshall in your discussions with the industries.



This implies that, over the IFR period, electricity prices should be set at a level which recovers the costs incurred this year and in subsequent years of rebuilding stocks to 22 mt by March 1986.

I am copying to the Prime Minister and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read "Nigel Lawson".

NIGEL LAWSON

NAT. INT. COAL
A 18



CF
BF for
Chancellor's
next bilateral.
DEW
PRIME MINISTER 10/9

Prime Minister

Agree to discuss at your
next bilateral with the
Chancellor?

SECRET

(1) Yes - on
a personal basis.

DLW
6/9.

5 September 1985

STRATEGY FOR THE COAL INDUSTRY

The strategy will have
to be considered
at the meeting with Mr. Walker - to be
for the coming year
and when the
new chairman
of the NUM is released
etc

Nigel Lawson's proposals are most welcome: they
correspond pretty closely to the more radical of the two
options which we put to you in July.

If these proposals are not adopted, the efforts of the
last two years may be frittered away. It is naive to suppose
that better management and more room to manage by themselves
will solve the industry's problem, which is fundamentally a
structural one. A statutory monopoly, underwritten by the
taxpayer and protected from imports, is bound to produce
creatures like Scargill. The solution is to marginalise the
NUM by fragmenting the industry and making it compete with
itself, and with others. Once miners become accustomed to
negotiating with regional employers, and to drawing (in some
cases) substantial productivity bonuses, they are less likely
to be rallied by the NUM.

The issues which you should discuss with Nigel are:

- 1. Objectives: do we need the NCB?

Clearly the 1946 Coal Industry Nationalisation Act needs
to be amended to allow privatisation and competition.

(The Act begins "There shall be a National Coal Board
which shall . . . be charged with the duties of working

SECRET

- 2 -

and getting the coal in Great Britain, to the exclusion of any other person . . .".) Open-cast should be broken out. NCB must regionalise itself and negotiate on that basis. National pay awards should be discontinued.

← You should question whether a national organisation need remain in the longer term. While the NCB exists, the NUM has somebody to talk to. While NCB exists, decentralisation won't be a reality. But Nigel's note argues for NCB's continuation "to ensure that appropriate levels of investment are made in Nottinghamshire and elsewhere". NCB's record on investment appraisal is poor. It has deprived the taxpayer of his returns on open-cast and the profitable pits, and has thrown them down the black holes in Wales, Scotland and elsewhere. NCB investment appraisal was heavily criticised by the MMC. Its demand forecasts have been wildly wrong. We doubt its competence, because it believes, fundamentally, in mining coal for its own sake.

Without NCB, Department of Energy and Treasury will have to deal separately with Regional Coal Boards' EFLs and investment plans. More work for them, but worth it surely?

The way to dissolve the NCB is to set it an EFL which forces it to float off part of itself, eg by management/-employee buy-outs in Nottinghamshire, and to phase itself out in the uneconomic coalfields. The NCB is an

SECRET

SECRET

- 3 -

unnatural monopoly, and has no place in our long-term thinking.

2. Timing and Tactics

Peter Walker will argue that getting to the break-even point is our first priority, and the 1985 Plan will achieve this. Structural change should be left aside until the next Parliament.

This is an illusion. A centrist NCB, dealing with the NUM, will never break even. The NCB persistently overestimates demand and underestimates the closures which will be necessary. For example, in 1980, NCB forecast a demand in the Year 2000 of 170 million tonnes. An independent source - Professor Colin Robinson, in "What Future for British Coal?" (1981) - put the figure at around half this level. In any case, break-even represents a nil return on the taxpayers' billions. So we need a programme for this Parliament.

The politics of change would be easier if we could create a constituency in favour of privatisation among the miners who would stand to benefit from it. The Nottinghamshire miners have not reached this point yet. But if we legislated in 1986-87 to remove the monopoly, transfer licensing to DEn, privatise open-cast in that session, and regionalise the NCB, the progressive Midlands miners would see that privatisation of coal

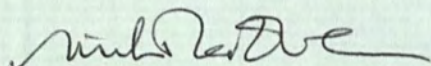
SECRET

SECRET

- 4 -

production was both an option, and that it worked. They might vote for it in 1987-88.

The bolder alternative would be to privatise some deep-
mined coalfields in this Parliament. The conclusions of
the strike have prepared the public for something as
radical as this. If we wait for the next Parliament, the
mood may have passed.


NICHOLAS OWEN

SECRET

SECRET

cc No
WBPM at this stage
SEN

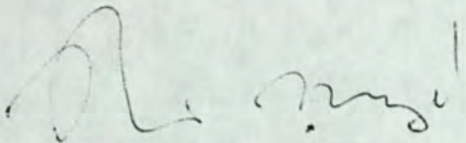
Copy No 2 of 8 4/9

23

01 211 6402

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
London
SW1

4 September 1985



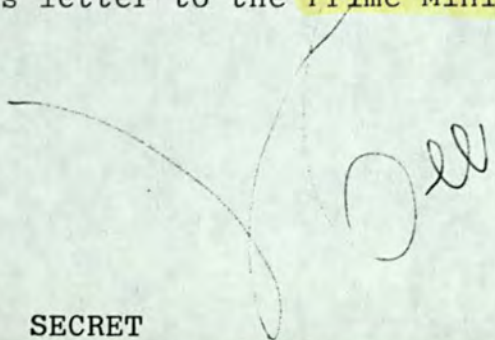
COAL STOCKS

When we met on 24 July under the Prime Minister's chairmanship we decided to ask the coal and electricity industries to aim at a target of about 22m tonnes of coal stocks at power stations by the end of March 1986. I need to communicate this decision to the industries so that they can set in hand the necessary plans for delivery and stocking.

The industries, particularly the Electricity Supply Industry, are bound to ask how we expect the stock-build to be financed. You have accepted that an electricity price increase this year is out of the question. I think therefore that I have no option but to tell them to make the working assumption that their external financing limit will be adjusted to the extent necessary to enable the stock build to take place. I would at the same time seek their advice about the EFL consequences and about the consequences in later years of maintaining this level or engaging in further stock-build as mentioned, but not decided upon, at our meeting. We could then have a better informed discussion of those consequences than is possible at present.

I would now like the industries to press forward urgently with this work. Unless I hear from you to the contrary by 9 September I shall assume that you are content and proceed accordingly.

I am sending a copy of this letter to the Prime Minister, and to Sir Robert Armstrong.



PETER WALKER

SECRET



22

eu No

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

PRIME MINISTER

STRATEGY FOR THE COAL INDUSTRY

Over the coming months we will be facing a number of decisions relating to the NCB and other coal issues. The immediate focus will be the NCB's corporate planning material due this month and this Autumn's public expenditure discussions (where the NCB has additional bids of over £1 billion). Looking further ahead, we have to plan the content of the Bill which will need to be introduced in Autumn 1986 to provide the legislative framework for the NCB beyond March 1987 (when the present legislation expires).

2. These decisions need to form part of a coherent strategy for the coal industry. I attach a note which seeks to outline such a strategy.

3. Our stance in the coal strike won widespread support. People readily saw the sense in standing firm, at considerable cost, in the face of unreasonable demands pursued by means of violence and intimidation. It is now of prime political and economic importance to demonstrate that we make use of our hard-won success in the strike to put the coal industry on to a sensible footing and stop the drain on the taxpayer.



4. I am, however, concerned that full use may not be made of the opportunity we now have. The position may be clearer later this month when we see the NCB's plans. Clearly a rapid rundown of uneconomic capacity is of prime importance.

5. Beyond this the NCB needs to make a proper return on the assets employed in its deep mined activities. At the moment the full extent of the losses here are disguised by the profits - running at around £200 million a year - on opencast. Opencast needs to be hived off into an organisation wholly separate from the NCB and then privatised.

6. Privatisation of deep mines does not seem a realistic possibility during this Parliament but we should take steps which would make it a real prospect in the next Parliament. These steps are set out in the attached note.

7. Prior to privatisation we need to transform the NCB from cosy collectivist organisation used to living on a diet of large subsidies to a commercial body whose size is determined by its success in the market place, unaided by subsidies.

8. I am sending this to you on a personal basis, and would be happy to discuss it with you should you so wish.

N L

2 September 1985

STRATEGY FOR THE COAL INDUSTRY

This note describes the strategy which the Government might adopt towards the UK coal industry. The issue will come before colleagues in the next month or so when the National Coal Board (NCB) produces its outline corporate plan.

A. Objectives for the coal industry

2. The short term and longer term aspects are best considered separately.

(i) Short term

3. The key points in the objectives set for Mr MacGregor are:

- (a) the NCB should earn a satisfactory return on capital;
- (b) the Board should secure sales which are profitable on a continuing basis and should bring its capacity into line with these sales;
- (c) real costs should be reduced.

Mr MacGregor also agreed that the NCB should break even by 1987-88 after taking credit for so-called social grants which the Government would continue to pay towards the costs of mine closures and redundancies.

4. The key to achieving these objectives is the closure of uneconomic pits. It is essential that the NCB exploit to the full the opportunity they now have as a result of the successful outcome of the coal strike. Before the coal strike the NCB anticipated these objectives would require the closure of 21 million tonnes (mt) of capacity by 1987-88.

5. Break even by 1987-88 remains a challenging objective and longer term aims may have to take a lower priority. Even so break even should only be seen as an interim target for the following reasons:

- (a) after stripping out continuing Government grants, break even will in fact still represent a real loss - equivalent to over 1 per cent of capital employed;
- (b) profitable open cast activities will still be subsidising loss making deep mines by about £200 million a year;
- (c) profitable deep mines will also be subsidising loss making deep mines by perhaps another £200 million a year.

In short, at what on the surface appears to be break even, the NCB will still be far from commercial viability.

(ii) Longer term

6. Coal is not a natural monopoly. In principle, the industry should consist of a number of private sector companies selling such coal as they can profitably produce in competition with each other and with coal producers in other countries. The size of such an industry would be set by:

- (a) the selling price set for coal in the existing international market;
- (b) investors' assessment of whether individual mines (or prospects) offered a sufficiently attractive return after taking account of the risks.

7. In practice there are a number of obstacles to the development of the industry in this way:

- (a) all mineral rights are vested by statute in the NCB and the NCB has a statutory monopoly over coal extraction. This gives the NCB significant control over such non-NCB operations as do exist;
- (b) the NCB owns 97 per cent of coal extraction capacity;
- (c) the CEGB has agreed to meet 95 per cent of its coal requirements from the NCB until 1987. This effectively limits competition from imports over the next two years.

B. The Way Forward

8. The essence of policy towards the coal industry should be that the size of this industry, like any other, must be determined by the amount of output it can sell profitably in the market place. Previous Governments have seen the size of the industry as determined by what it could produce, regardless of whether this could be sold profitably.

9. The most direct way of ensuring the coal industry is market determined in this way would be privatisation, coupled with a break up of the NCB and with removal of the obstacles described in paragraph 7 above. There must, however, be doubts about whether the bulk of the NCB's existing assets would be attractive to private sector investors. And privatisation of profitable new mining projects alone could give the NUM a grievance to exploit, which does not apply when closures of old capacity and new investment elsewhere in the business can be presented as a reasonable package.

10. In these circumstances the right approach is one which:

- (a) seeks to obtain as many as possible of the benefits of privatisation;

- (b) aims to reshape the NCB in such a way as to make privatisation a real prospect during the next Parliament.

11. The main features of such an approach would be:

- (i) to deal with the unsatisfactory nature of the NCB's finances in the short term (para 5 above)

(a) rapid closure of all uneconomic pits. This is of paramount importance.

(b) ensuring the NCB invests only in existing pits, and new developments, which offered a return of at least 5 per cent after risk;

(c) a major reduction in the NCB investment programme to ensure that, apart from essential safety measures, investment was confined to profitable activities;

(d) ending of continuing Government grants;

(e) separating of open cast activities into an organisation separate from the NCB which would operate in competition with the NCB. This organisation would be a prime candidate for privatisation in 1987-88.

- (ii) to overcome the obstacles to greater market exposure of the coal industry (paras 6 and 7 above)

- (a) removing the mineral rights from the NCB and ending its monopoly in extraction. New operators to be licenced by the Department of Energy;
- (b) continuing the policy of selling NCB coal at prices set by competing imported coal;
- (c) ensuring there are no further restrictions on the CEGB's ability to import coal. The existing CEGB-NCB agreement should not be renewed in 1987.

12. As regards the structure of the NCB it would be right to retain a national organisation.

- (i) The upheaval of break up would probably not be matched by the benefits;
- (ii) a national dimension is needed to ensure that the appropriate level of investment is made in pits in Nottinghamshire and elsewhere in the Midlands where there is less union militancy than in other areas.

That said, it would be reasonable to allow work/management buy out for pits which would otherwise be closed.

13. Within this national structure, it would make sense to publish the NCB's accounts with a regional breakdown and to align the NCB regions with the NUM's areas. This would:

- (i) help to create a greater regional sense of identity for mineworkers and so to offset the NUM drive for centralisation of power within the union;

(ii) make it possible to increase the productivity related element in the miner's pay package.

CONFIDENTIAL



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460

Switchboard 01-213 3000

The Rt Hon Peter Walker MBE MP
 Secretary of State
 Department of Energy
 Thames House South
 Millbank
 LONDON SW1

30 August 1985

In view of today's renewed speculation that a ballot to allow the Notts miners to leave the NUM is imminent, I thought it might be helpful to confirm certain points as we see them.

As you know, they are hoping to make use of the Trade Union Amalgamation Act 1964. Press reports tend to suggest that if a trade union obtains a majority vote for amalgamation that is all that is necessary for a new, amalgamated union, with its own new rules and constitution, to come into existence. It is not quite as simple as that. Under the Act a union wishing to do this must first produce an instrument of amalgamation and obtain the approval of the Certification Officer, an independent statutory officer, for that instrument, before seeking a majority for it in a vote for its members.

The Certification Officer normally asks for the drafts of any instrument and new rules at least 8 weeks before voting is due to start. This is because in addition to his own examination of such proposals, he has to allow reasonable time for consultation with those affected by the changes. In the present case the time-scale could therefore be considerably extended. The NUM will almost certainly make representations against amalgamation, as they are entitled to do, on the grounds that it will be in conflict with the national rule book. At the same time they may take the matter direct to the court. (In confidence, I understand that the NUM solicitor has already had an opening informal word with the Certification Officer and told him he would be submitting written objections to the amalgamation on the grounds that it would breach NUM's own rules).

CONFIDENTIAL

Pamie Printer

④

To note that the
 Notts secession from the NUM
 will not be quick or easy.

DAN

30/8.

Dear Peter

ms



The Certification Officer will face some difficult questions on the Notts applications. His decisions could be challenged on application for a judicial review. Even if the issues were ultimately resolved in favour of Notts the process could take some time. Reports of a September or even October ballot may be optimistic.

I am told (again in confidence) that the Certification Officer has not yet received the instrument of amalgamation. He has, however, had informal discussions with lawyers representing the Notts Area who are clearly well aware of the difficulties ahead. I gather they have privately admitted to the CO that they do not expect to reach the ballot stage before a High Court action intervenes. I heard David Prendergast on the Today programme suggesting a vote at the end of September. Whether he said this for tactical reasons I don't know, but it is difficult to see how the ballot could proceed without challenge.

While all this is happening the full hearing of the cases brought by Chadburn and other NUM loyalists to stop the secession is awaited. On the other side, there is the High Court challenge to the NUM's new rules from the 7 working miners, expected to be heard in October.

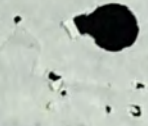
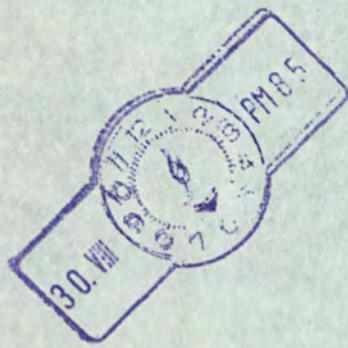
In addition, there would seem to be further developments arising out of Sid Vincent's assertion to the Lancashire Area Branch Secretaries that the national NUM rule changes, over-riding the area rule book, do not apply in Lancashire.

I will seek to keep you as closely informed as I can about developments on my side over these matters, and will be ready to talk further about this if you would like to discuss it.

I am sending a copy to the Prime Minister.

2
—
lan

CONFIDENTIAL



WEEKLY COAL AND POWER STATION STATISTICS (1)

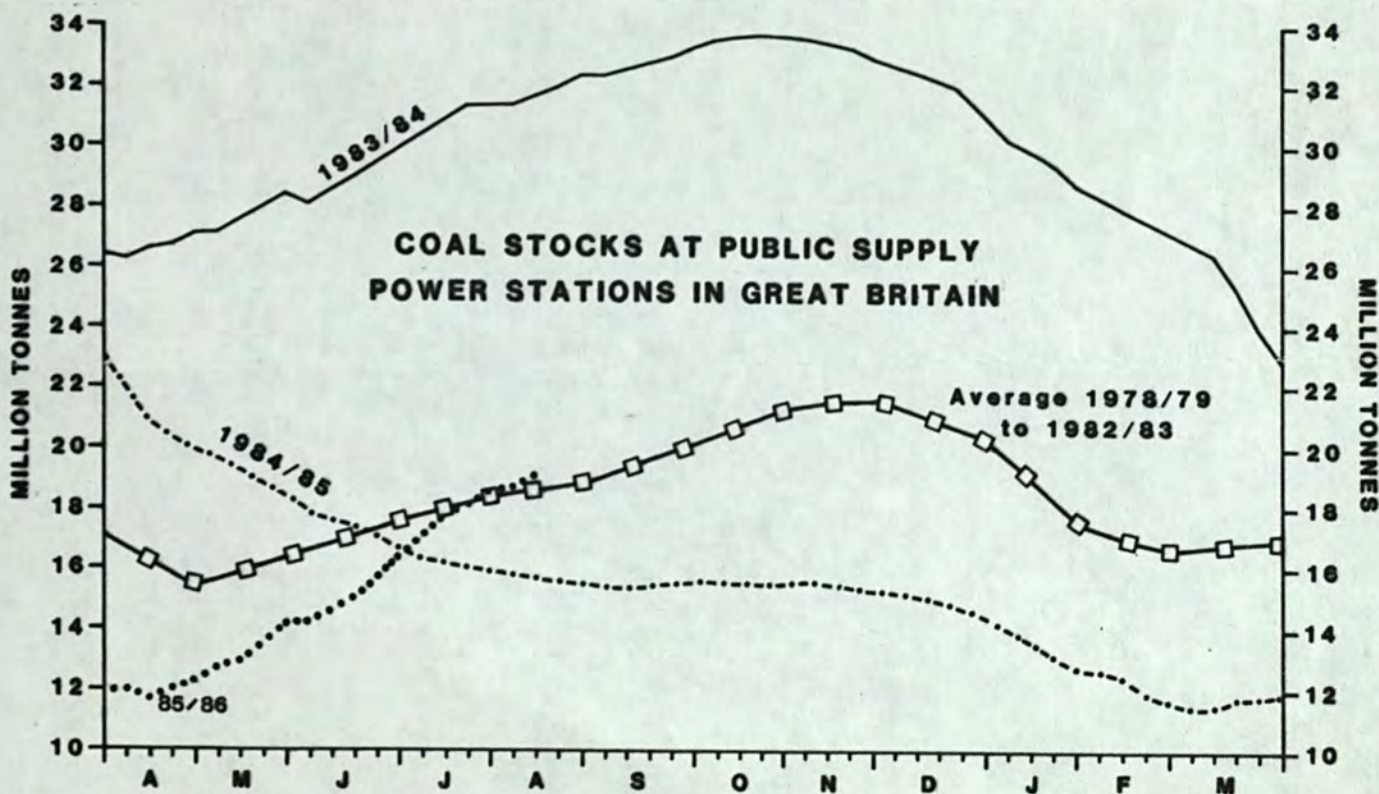
27 August 1985

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

Week ending 13.8.83 11.8.84 20.7.85 27.7.85 3.8.85 10.8.85

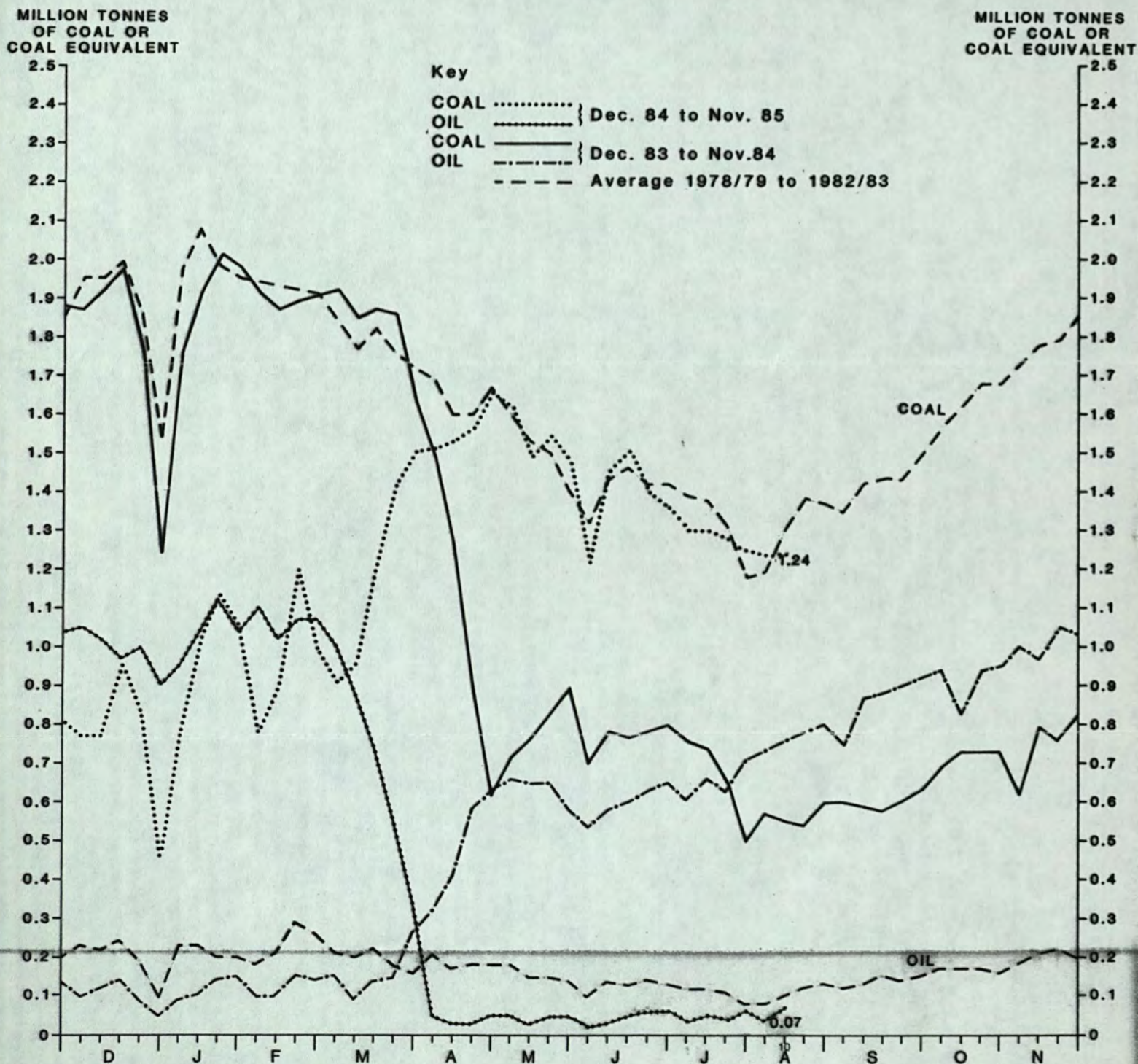
PRODUCTION		deep mines+	1.62:	0.40:	1.63	1.05	0.84	1.36	
(m. tonnes)		opencast+	0.36:	0.30:	0.29	0.29	0.20	0.27	
TOTAL			1.98:	0.70:	1.92	1.35	1.04	1.63	
COAL	PRODUCTIVITY(2)		'overall'	2.29:	2.24:	2.60	2.32	2.19	2.36
	(tonnes/manshift)		'production'	9.92:	11.35:	11.30	10.99	11.68	10.56
UNDISTRIBUTED STOCK									
(m. tonnes)		TOTAL	23.71:	22.37:	13.48	13.02	12.68	12.48	
COAL STOCKS		(m. tonnes)	31.71:	15.68:	18.23	18.60	18.71	19.14	
COAL CONSUMPTION		"	1.24:	0.55:	1.28	1.25	1.24	1.24	
COAL RECEIPTS		"	1.52:	0.45:	1.84	1.62	1.35	1.67	
POWER STATIONS	OIL STOCKS(3)		"	1.20:	0.82:	0.93	0.90	0.90	0.86
	OIL CONSUMPTION(3)		"	0.02:	0.45:	0.02	0.04	0.02	0.04
	OIL RECEIPTS(3)		"	0.04:	0.38:	0.05	0.01	0.02	-
ELECTRICITY SUPPLIED (4)		(GWh)							
Nuclear		"	740:	739:	898	792	797	866	
Other Steam		"	2,873:	2,997:	3,023	2,958	2,865	2,995	
TOTAL		"	3,613:	3,735:	3,921	3,750	3,662	3,861	
TOTAL - temperature corrected		"							
			3,667:	3,674:	3,821	3,778	3,585	3,728	

(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.
 + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL

010

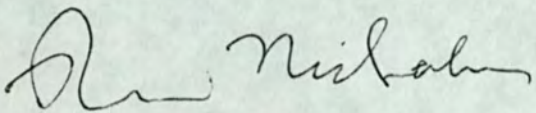
CCND

MBM

01 211 6402

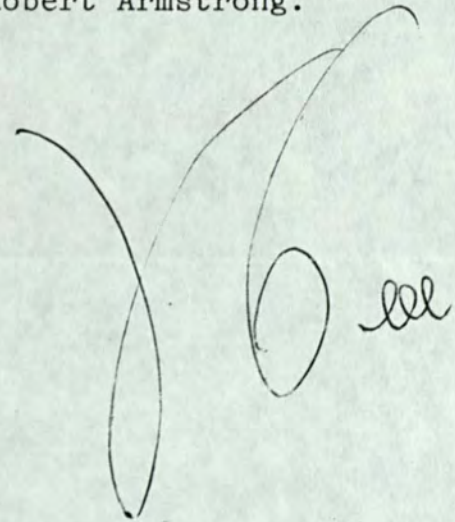
The Rt Hon Nicholas Ridley MP
Secretary of State for Transport
2 Marsham Street
LONDON
SW1P 3EB

22 August 1985



I am concerned about the possible effect of escalation of the present rail dispute on the rebuilding of coal stocks at CEGB power stations. I would be grateful if you would impress on the BR Board the importance of coal traffic continuing uninterrupted, and keep me closely in touch with developments.

I am copying this letter to the Prime Minister, Nigel Lawson, George Younger and Sir Robert Armstrong.



PETER WALKER

WEEKLY COAL AND POWER STATION STATISTICS SUPPLEMENT (1)

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

Week ending 6.8.83 4.8.84 13.7.85 20.7.85 27.7.85 3.8.85

COAL

<u>PRODUCTION</u>	deep mines+	0.71:	0.24:	1.76	1.63	1.05	0.84
(m. tonnes)	opencast+	0.22:	0.21:	0.33	0.29	0.29	0.20
	TOTAL	0.93:	0.45:	2.09	1.92	1.35	1.04

<u>PRODUCTIVITY(2)</u>	'overall'	1.86:	2.01:	2.65	2.60	2.32	2.19
(tonnes/manshift)	'production'	9.45:	10.86:	11.62	11.30	10.99	11.68

<u>UNDISTRIBUTED STOCK</u>	deep mines:						
(m. tonnes)	England	14.56:	10.71:	3.90	3.79	3.49	3.38
	S. Wales	2.94:	2.47:	2.20	2.16	2.14	2.13
	Scotland	1.57:	1.38:	1.04	1.04	1.03	1.03
	opencast	4.72:	7.71:	6.69	6.50	6.36	6.14
	TOTAL	23.79:	22.27:	13.83	13.48	13.02	12.68

<u>COAL STOCKS</u>	South Eastern	3.14:	1.31:	1.62	1.68	1.76	1.76
(m. tonnes)	South Western	2.23:	0.68:	1.76	1.82	1.84	1.89
	Midlands	12.66:	7.30:	6.04	6.21	6.25	6.11
	North Eastern	8.30:	3.79:	5.36	5.61	5.81	6.00
	North Western	2.56:	1.62:	1.54	1.59	1.63	1.64
	TOTAL CEBG	28.90:	14.70:	16.33	16.90	17.28	17.40
	Scotland	2.53:	1.09:	1.35	1.34	1.32	1.31
	TOTAL Gt. Britain	31.43:	15.79:	17.68	18.23	18.60	18.71

<u>COAL CONSUMPTION</u>	South Eastern	0.07:	0.03:	0.11	0.10	0.10	0.12
(m. tonnes)	South Western	0.12:	-:	0.12	0.13	0.13	0.12
	Midlands	0.45:	0.39:	0.53	0.49	0.45	0.49
	North Eastern	0.33:	0.02:	0.39	0.44	0.41	0.33
	North Western	0.10:	0.04:	0.10	0.08	0.08	0.10
	TOTAL CEBG	1.07:	0.47:	1.24	1.24	1.17	1.15
	Scotland	0.05:	0.10:	0.06	0.05	0.08	0.09
	TOTAL Gt. Britain	1.12:	0.57:	1.30	1.28	1.25	1.24

<u>COAL RECEIPTS</u>	CEGB	1.09:	0.43:	1.80	1.81	1.55	1.27
(m. tonnes)	Scotland	0.03:	-:	0.10	0.03	0.07	0.08
	Gt. Britain	1.13:	0.43:	1.90	1.84	1.62	1.35

<u>OIL STOCKS(3)</u>	CEGB	1.00:	0.73:	0.73	0.75	0.72	0.72
(m. tonnes)	Scotland	0.18:	0.16:	0.18	0.18	0.18	0.18
	Gt. Britain	1.17:	0.89:	0.90	0.93	0.90	0.90

<u>OIL CONSUMPTION(3)</u>	CEGB	0.01:	0.38:	0.03	0.02	0.04	0.02
(m. tonnes)	Scotland	0.01:	0.04:	-	-	-	-
	Gt. Britain	0.03:	0.43:	0.03	0.02	0.04	0.02

<u>OIL RECEIPTS(3)</u>	CEGB	0.07:	0.32:	0.01	0.05	0.01	0.02
(m. tonnes)	Scotland	0.01:	0.01:	-	-	-	-
	Gt. Britain	0.08:	0.33:	0.01	0.05	0.01	0.02

<u>GAS CONSUMPTION</u>	CEGB	-:	-:	2	2	3	2
(m. therms)							

<u>ELECTRICITY(4)</u>	Nuclear	672:	622:	991	898	792	797
<u>SUPPLIED</u>	Other Steam	2,622:	2,876:	3,034	3,023	2,958	2,865
(GWh)	TOTAL	3,294:	3,498:	4,025	3,921	3,750	3,662
	TOTAL, temperature corrected	3,249:	3,540:	4,044	3,821	3,778	3,585

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.

(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.

+ includes licensed production.

WEEKLY COAL AND POWER STATION STATISTICS (1)

19 August 1985

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

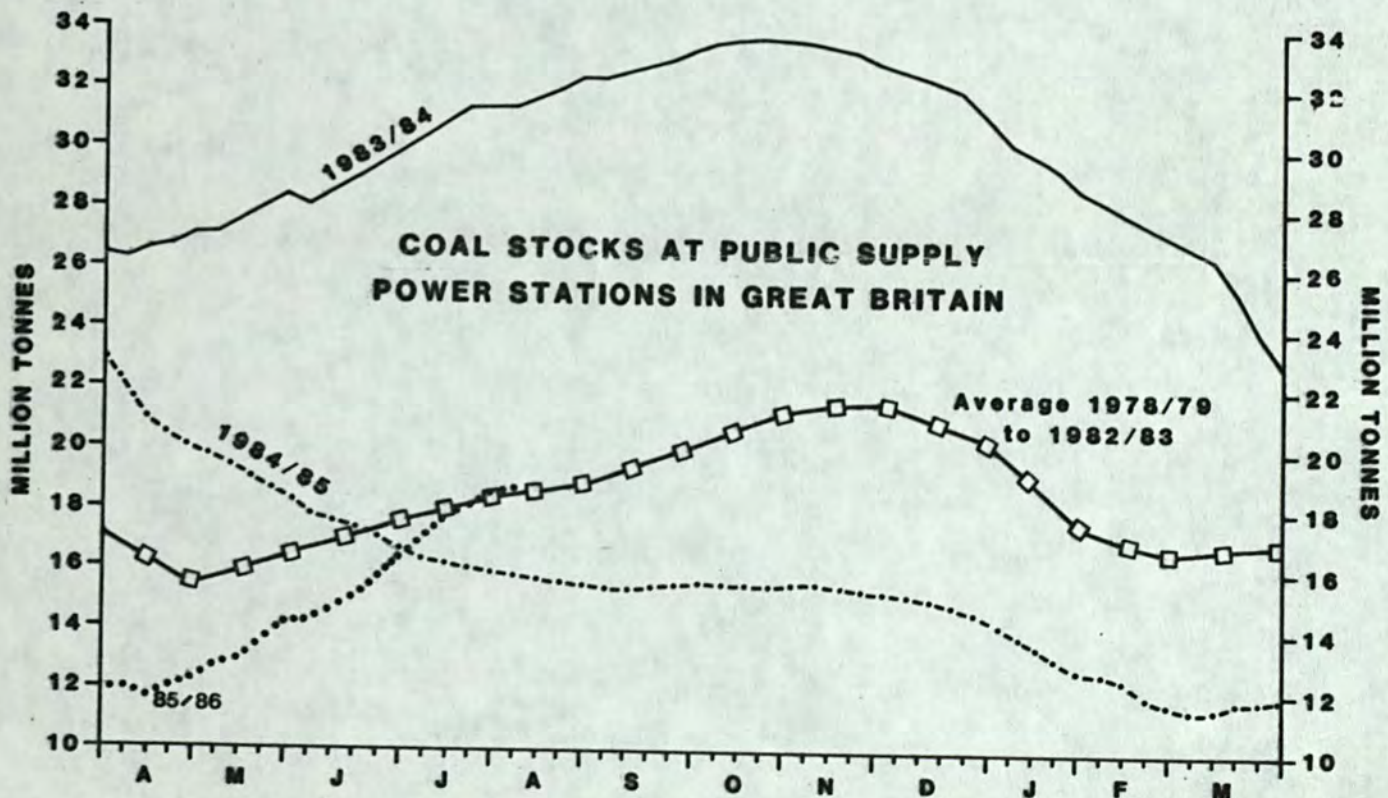
Week ending 6.8.83 4.8.84 13.7.85 20.7.85 27.7.85 3.8.85

		6.8.83	4.8.84	13.7.85	20.7.85	27.7.85	3.8.85	
COAL	PRODUCTION							
	deep mines+	0.71:	0.24:	1.76	1.63	1.05	0.84	
	(m. tonnes)							
	opencast+	0.22:	0.21:	0.33	0.29	0.29	0.20	
	TOTAL	0.93:	0.45:	2.09	1.92	1.35	1.04	
	PRODUCTIVITY(2)							
	'overall'	1.86:	2.01:	2.65	2.60	2.32	2.19	
	(tonnes/manshift)							
	'production'	9.45:	10.86:	11.62	11.30	10.99	11.68	
	UNDISTRIBUTED STOCK							
(m. tonnes)	TOTAL	23.79:	22.27:	13.83	13.48	13.02	12.68	
POWER STATIONS	COAL STOCKS	(m. tonnes)	31.43:	15.79:	17.68	18.23	18.60	18.71
	COAL CONSUMPTION	"	1.12:	0.57:	1.30	1.28	1.25	1.24
	COAL RECEIPTS	"	1.13:	0.43:	1.90	1.84	1.62	1.35
	OIL STOCKS(3)	"	1.17:	0.89:	0.90	0.93	0.90	0.90
	OIL CONSUMPTION(3)	"	0.03:	0.43:	0.03	0.02	0.04	0.02
	OIL RECEIPTS(3)	"	0.08:	0.33:	0.01	0.05	0.01	0.02
	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	672:	622:	991	898	792	797
	Other Steam	"	2,622:	2,876:	3,034	3,023	2,958	2,865
	TOTAL	"	3,294:	3,498:	4,025	3,921	3,750	3,662
TOTAL - temperature corrected	"	3,249:	3,540:	4,044	3,821	3,778	3,585	

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.

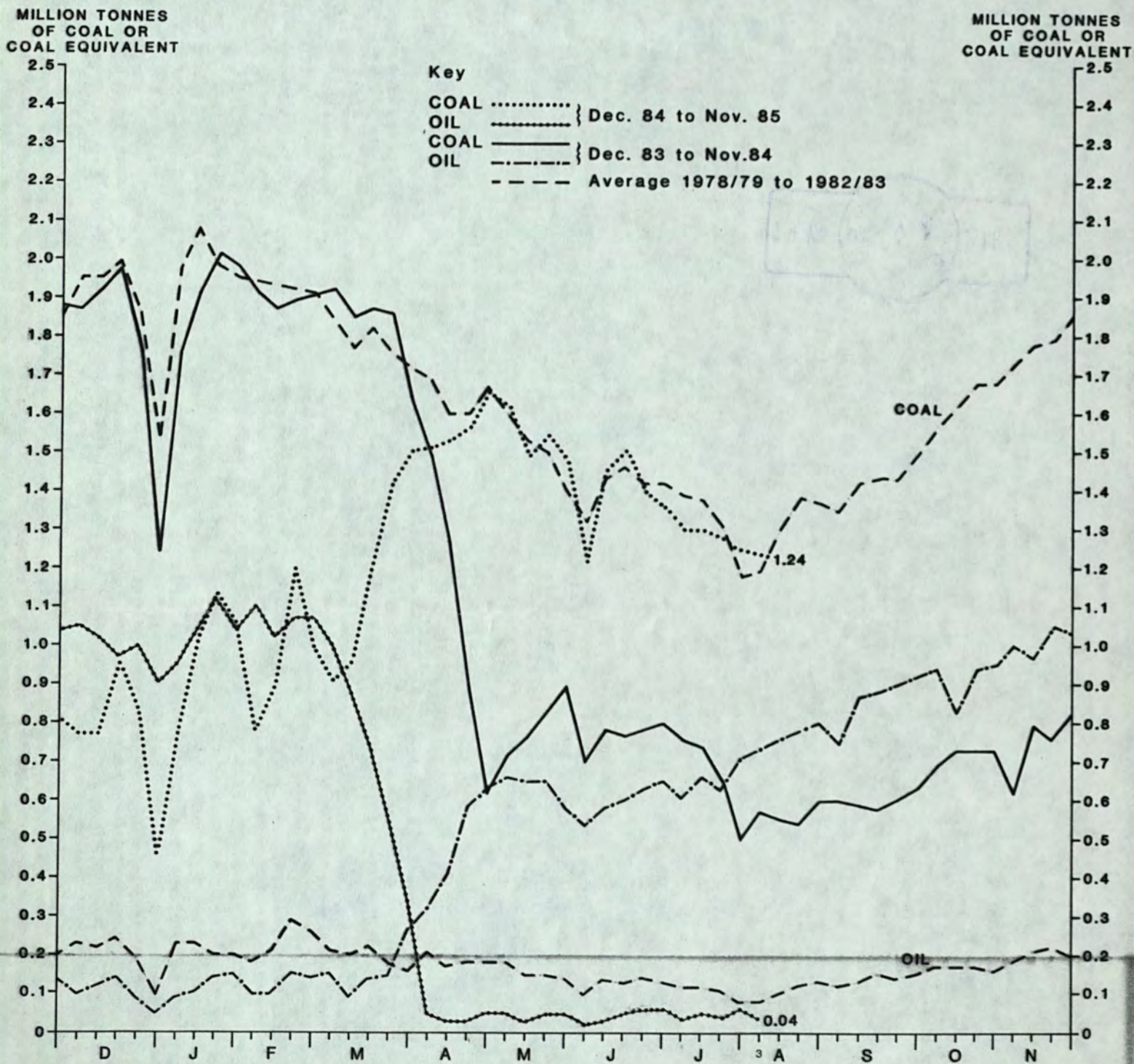
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.

+ includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL



WEEKLY COAL AND POWER STATION STATISTICS (1)

12 August 1985

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

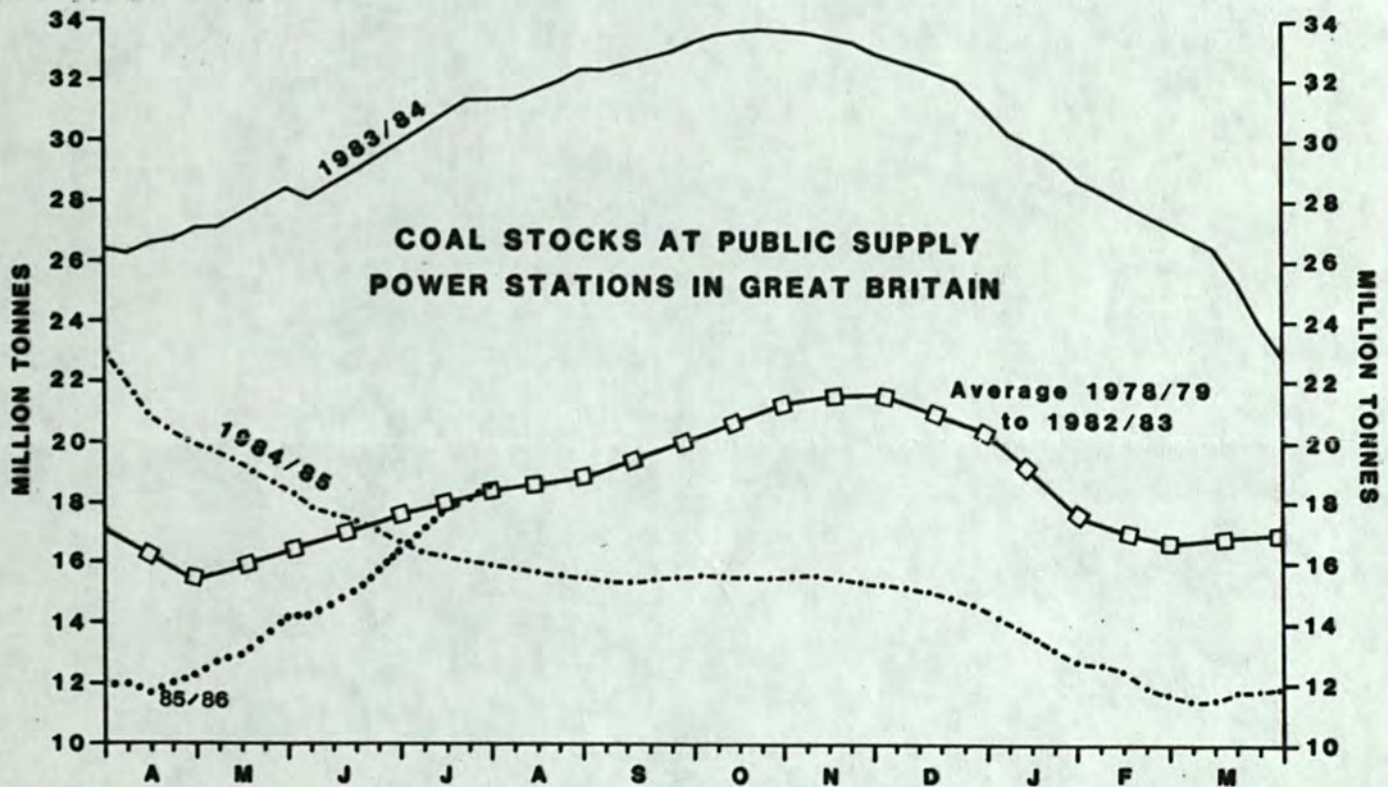
Week ending 30.7.83 28.7.84 6.7.85 13.7.85 20.7.85 27.7.85

COAL			30.7.83	28.7.84	6.7.85	13.7.85	20.7.85	27.7.85
COAL	PRODUCTION	deep mines+	0.83:	0.26:	1.68	1.76	1.63	1.05
	(m. tonnes)	opencast+	0.17:	0.17:	0.34	0.33	0.29	0.24
	TOTAL		1.01:	0.43:	2.02	2.09	1.92	1.29
COAL	PRODUCTIVITY(2)	'overall'	1.99:	1.90:	2.60	2.65	2.60	2.32
	(tonnes/manshift)	'production'	10.10:	9.58:	11.43	11.62	11.30	10.99
UNDISTRIBUTED STOCK								
	(m. tonnes)	TOTAL	24.06:	22.32:	14.08	13.83	13.48	12.98
COAL STOCKS		(m. tonnes)	31.42:	15.93:	17.10	17.68	18.23	18.60
COAL CONSUMPTION		"	1.18:	0.50:	1.30	1.30	1.28	1.25
COAL RECEIPTS		"	1.28:	0.43:	1.90	1.90	1.84	1.62
POWER STATIONS	OIL STOCKS(3)	"	1.12:	0.98:	0.92	0.90	0.93	0.90
	OIL CONSUMPTION(3)	"	0.03:	0.42:	0.02	0.03	0.02	0.04
	OIL RECEIPTS(3)	"	0.06:	0.38:	0.02	0.01	0.05	0.01
ELECTRICITY SUPPLIED (4)		(GWh)						
	Nuclear	"	634:	769:	934	991	898	792
	Other Steam	"	2,683:	2,722:	3,074	3,034	3,023	2,958
	TOTAL	"	3,317:	3,491:	4,008	4,025	3,921	3,750
TOTAL - temperature corrected		"						
			3,466:	3,533:	4,044	4,044	3,821	3,778

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.

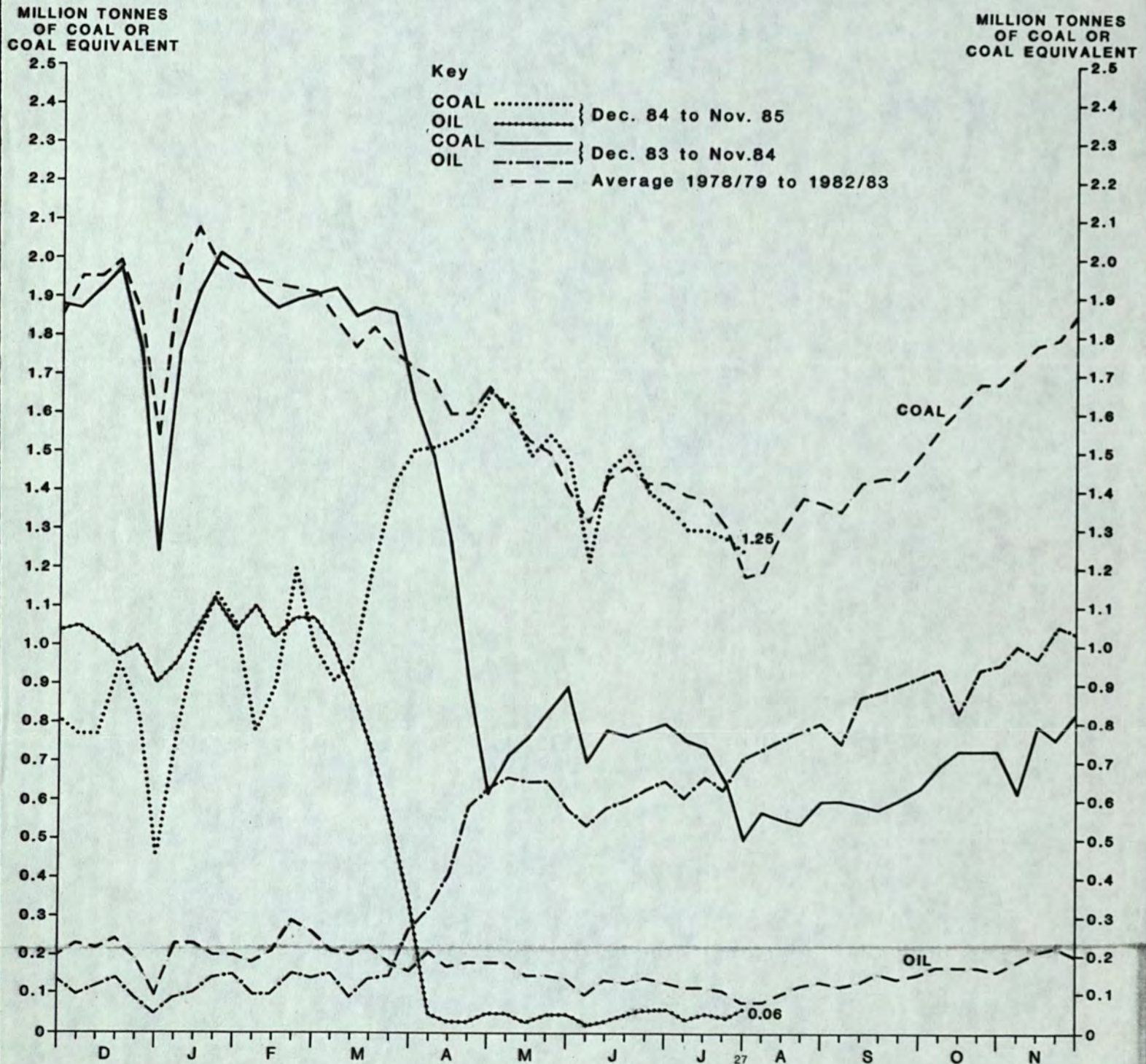
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.

+ includes licensed production.



CONFIDENTIAL

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

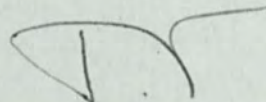


CONFIDENTIAL

NOTE FOR THE RECORD

IAN MACGREGOR: WORKING MINERS

I discussed with the Prime Minister Mr MacGregor's request that she should receive [redacted], two working miners from Nottinghamshire. She agreed with Mr Walker's advice that she should not do so but a meeting with Mr Walker should be offered instead. I conveyed this message to Mr MacGregor when he telephoned. He took the news greatly amiss and averred that the Prime Minister had unnecessarily lost two friends. From this I rather assumed that he had already told [redacted] that he could secure a meeting of the kind suggested. The alternative proposal of a meeting with Mr Walker was summarily dismissed as having already been turned down.



CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Tim Flesher
8 August 1985

670
CONFIDENTIAL



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

01-211-6402

R Butler Esq
Principal Private Secretary
to the Prime Minister
10 Downing Street
LONDON SW1

6 August 1985

Dear Robin,

We spoke on Friday about Mr MacGregor's rather unorthodox request that the Prime Minister should meet two working miners from the Notts Area. I have subsequently seen your letter of 2 August.

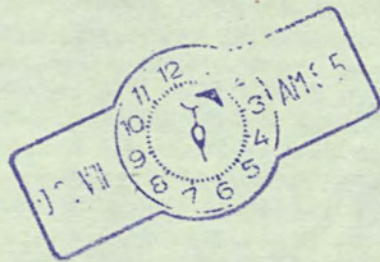
My Secretary of State feels that the best course would be for him to see these men, rather than the Prime Minister.

Yours ever,

G S DART

G S DART
Private Secretary

CONFIDENTIAL



CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

PRIME MINISTER

IAN MACGREGOR: WORKING MINERS

Ian MacGregor telephoned Robin last week to suggest that it would be a great help to him if you were to give a brief audience to [redacted] whom he described as working miners from Nottinghamshire. He said that they were marvellous people and would give a more favourable view of the way in which working miners had been treated than some of your other sources. Moreover, if you were to receive them it would give a great boost to those who were seeking to escape from the embrace of Mr. Scargill and the NUM in the Nottinghamshire area.

We sought Mr. Walker's advice on this request. Neither [redacted] are known to the Department of Energy and do not seem to be involved in any sense in the Nottinghamshire union. Moreover, it is a little odd that they should be described as "working miners" since that actually applied to 95% of the Notts miners. All in all this is a rather strange request and presumably one designed to impress you with what a good job Mr. MacGregor is doing. For this reason and to avoid any suggestion that you are personally involved in promoting the Nottingham breakaway, Peter Walker suggests, with no great enthusiasm, that he should meet [redacted] on your behalf.

Mr. MacGregor clearly attaches great importance to this. He asked for a meeting before your holiday (although he would not be present) and rang again today to ask how things stood. *

At the risk of offending Mr. MacGregor, I think you should turn this down. Quite apart from the inconvenience of fitting in a meeting before your holiday neither [redacted] [redacted] have any proven track record in the working miners' movement and to see them might well promote criticism from

others who have risked more and suffered more in the cause.
This has all the hallmarks of a stunt.

Agree to suggest to Mr. MacGregor that
see Peter Walker on your behalf?

D

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

TIM FLESHER

6 August 1985

VC4ABB

WEEKLY COAL AND POWER STATION STATISTICS (1)

5 August 1985

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

Week ending 23.7.83 21.7.84 29.6.85 6.7.85 13.7.85 20.7.85

COAL

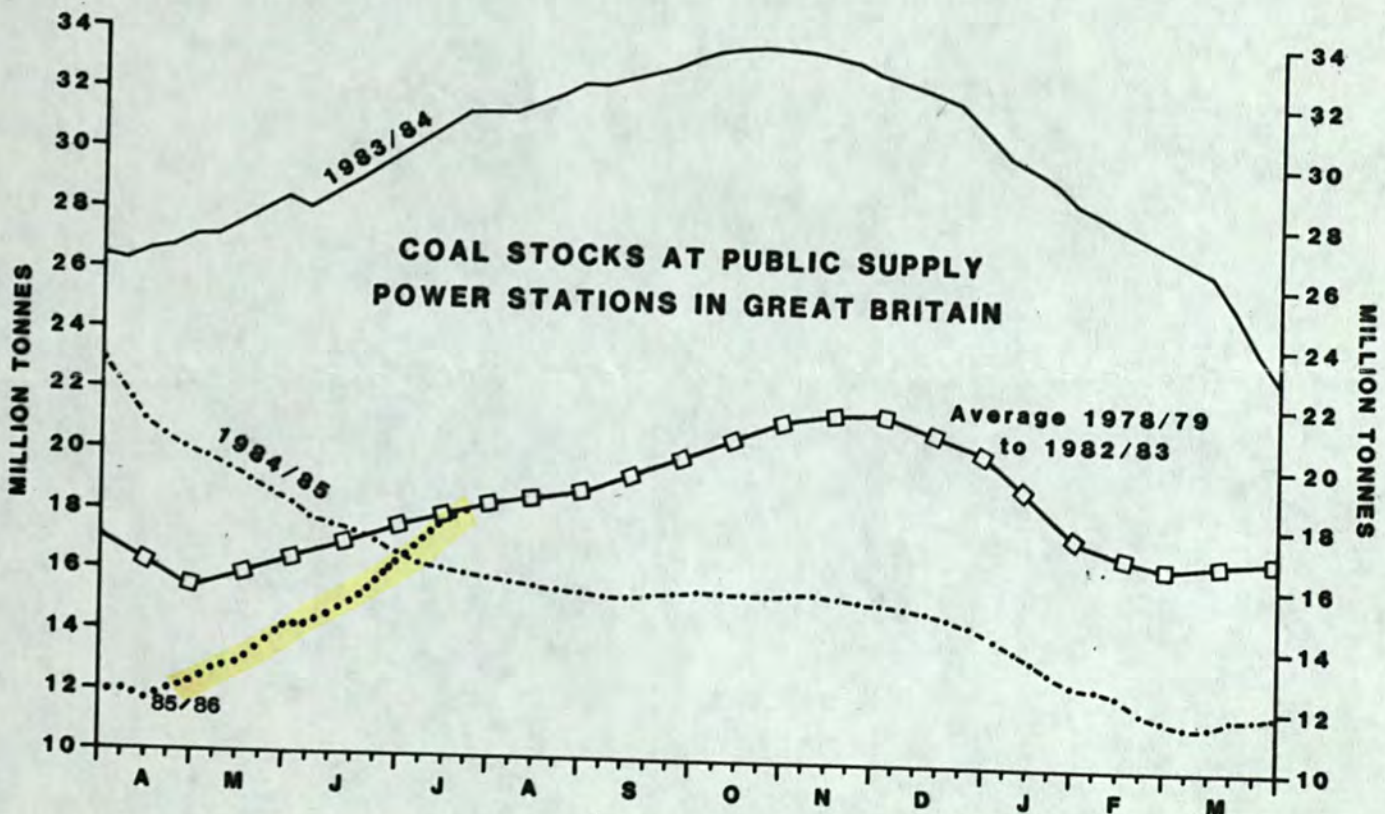
POWER STATIONS

PRODUCTION		deep mines+	1.67:	0.42:	1.82	1.68	1.76	1.63
(m. tonnes)		opencast+	0.28:	0.27:	0.42	0.34	0.33	0.29
TOTAL			1.95:	0.69:	2.24	2.02	2.09	1.92
PRODUCTIVITY(2)		'overall'	2.35:	2.14:	2.61	2.60	2.65	2.60
(tonnes/manshift)		'production'	10.21:	10.22:	11.73	11.42	11.61	11.27
UNDISTRIBUTED STOCK								
(m. tonnes)		TOTAL	24.47:	22.48:	14.24	14.08	13.83	13.48
COAL STOCKS		(m. tonnes)	31.32:	16.00:	16.49	17.10	17.68	18.23
COAL CONSUMPTION		"	1.22:	0.65:	1.36	1.30	1.30	1.28
COAL RECEIPTS		"	1.61:	0.53:	2.05	1.90	1.90	1.84
OIL STOCKS(3)		"	1.09:	1.00:	0.92	0.92	0.90	0.93
OIL CONSUMPTION(3)		"	0.04:	0.38:	0.04	0.02	0.03	0.02
OIL RECEIPTS(3)		"	0.06:	0.41:	0.02	0.02	0.01	0.05
ELECTRICITY SUPPLIED (4)		(GWh)						
Nuclear		"	680:	766:	926	934	991	898
Other Steam		"	2,898:	2,936:	3,234	3,074	3,034	3,023
TOTAL		"	3,578:	3,702:	4,160	4,008	4,025	3,921
TOTAL - temperature corrected		"	3,664:	3,702:	4,079	4,044	4,044	3,821

(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.

+ includes licensed production.



05 12 1944
RECEIVED
1944

Pure Minutes ②

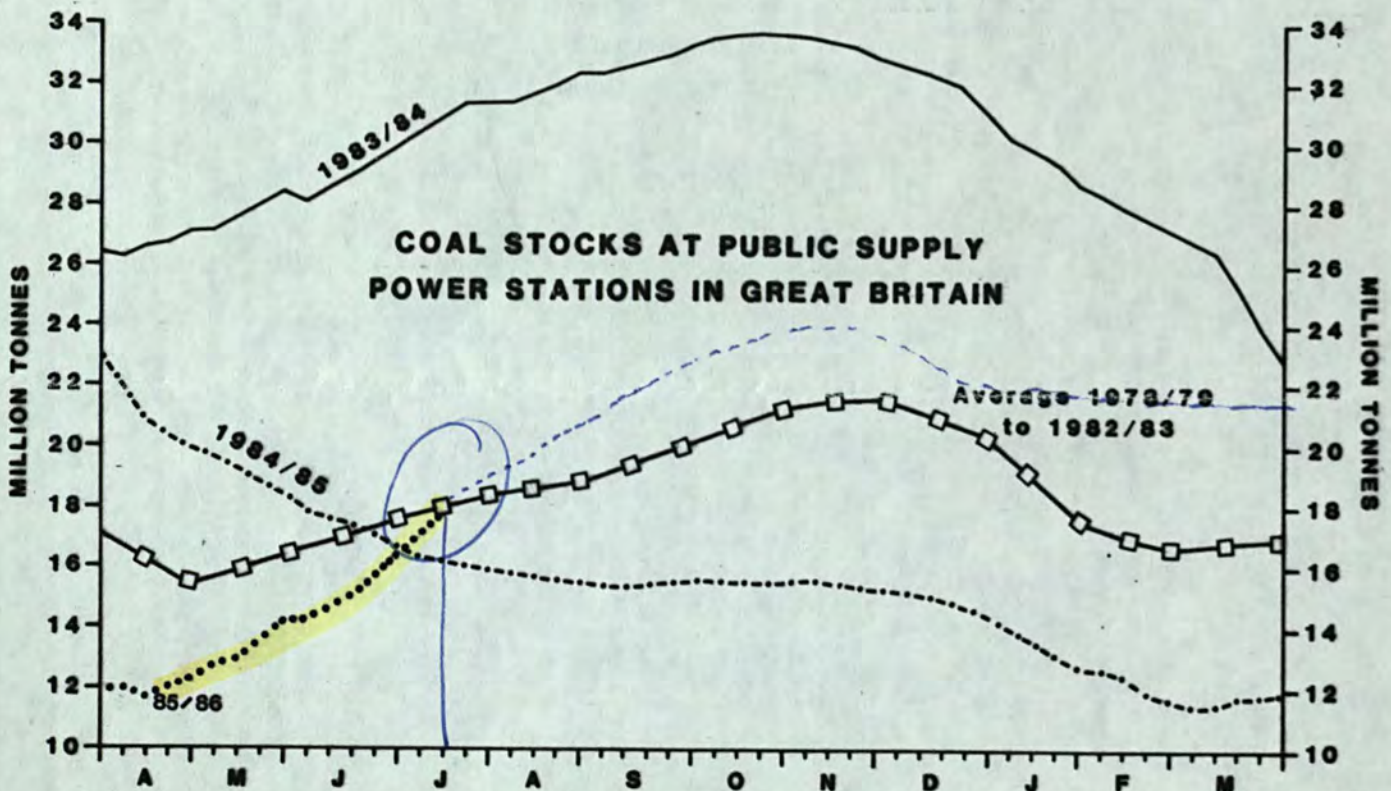
AT 29/7

29 July 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 16.7.83 14.7.84 22.6.85 29.6.85 6.7.85 13.7.85

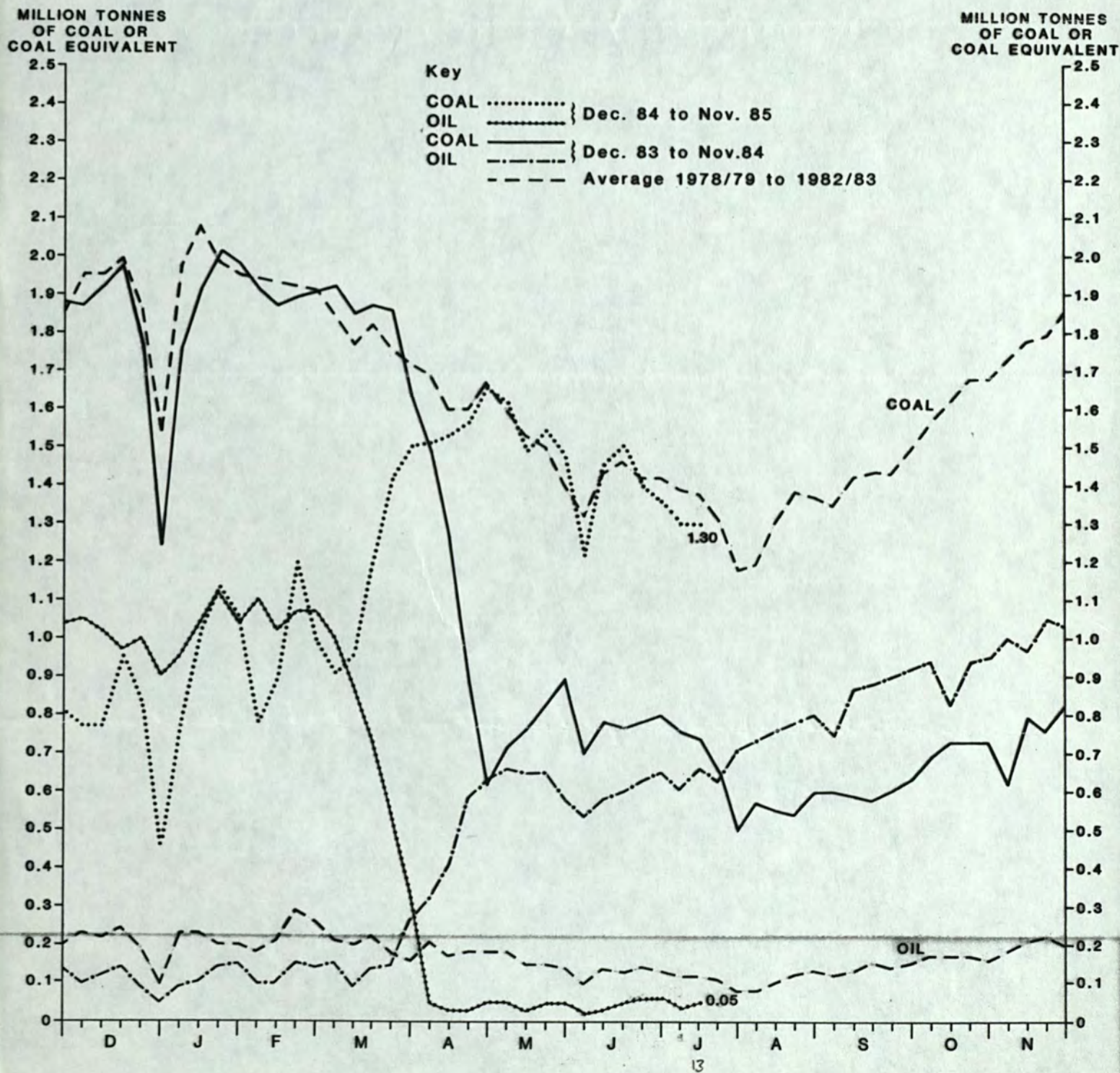
COAL			16.7.83	14.7.84	22.6.85	29.6.85	6.7.85	13.7.85
COAL	PRODUCTION	deep mines+	1.98:	0.43:	1.88	1.82	1.68	1.76
	(m. tonnes)	opencast+	0.30:	0.30:	0.35	0.42	0.34	0.33
	TOTAL		2.28:	0.72:	2.22	2.24	2.02	2.09
COAL	PRODUCTIVITY(2)	'overall'	2.48:	2.13:	2.64	2.61	2.60	2.65
	(tonnes/manshift)	'production'	10.82:	10.50:	11.35	11.73	11.42	11.61
UNDISTRIBUTED STOCK								
	(m. tonnes)	TOTAL	24.65:	22.48:	14.61	14.24	14.08	13.83
POWER STATIONS	COAL STOCKS	(m. tonnes)	30.92:	16.13:	15.80	16.49	17.10	17.68
	COAL CONSUMPTION	"	1.27:	0.74:	1.40	1.36	1.30	1.30
	COAL RECEIPTS	"	1.72:	0.47:	2.09	2.05	1.90	1.90
	OIL STOCKS(3)	"	1.06:	0.98:	0.93	0.92	0.92	0.90
	OIL CONSUMPTION(3)	"	0.05:	0.39:	0.04	0.04	0.02	0.03
	OIL RECEIPTS(3)	"	0.04:	0.28:	0.02	0.02	0.02	0.01
	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	705:	695:	877	926	934	991
	Other Steam	"	2,987:	3,124:	3,335	3,234	3,074	3,034
	TOTAL	"	3,692:	3,819:	4,212	4,160	4,008	4,025
TOTAL - temperature corrected	"							
			3,969:	3,893:	4,048	4,079	4,044	4,044

(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.
 + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL

Subject
a meeting.

SECRET

file

VC



21

10 DOWNING STREET

29 July 1985

From the Private Secretary

MEETING WITH LORD MARSHALL: ENDURANCE

When Lord Marshall met the Prime Minister today he spoke about his fears for another coal strike. He did not believe the NUM would attempt a strike during the coming winter but could well do so in the winter after that. If such a strike were attempted the workforce of the CEGB would come under much greater pressure than it had last time. He doubted whether the breakaway by the Notts area would succeed convincingly. The new union would not achieve TUC support. In the next strike CEGB employees belonging to GMBATU and TGWU (both unions being under new leadership) would be instructed not to handle coal from the Notts area, as opposed to being advised in 1984. The CEGB workforce would find this pressure more difficult to resist.

The Prime Minister said the objective was to achieve coal stocks at power stations of 22 mt by March 1986. She hoped decisions would be taken to raise this to 31 mt by October 1986. Lord Marshall said CEGB could accommodate 35 mt if the Government wanted to go this far.

The Prime Minister argued that electricity consumers should pay the costs of holding stock at these very high levels as an insurance against interruptions to supply. Lord Marshall said the industry's financial targets were calculated on the basis that stocks of 14 mt were being held. If the cooperation of the CEGB workforce were to be secured, it was essential that the industry were not presented as being the agent of the Government in its struggle against the miners. This would best be done by building up stocks at power stations but adjusting the financial targets so that the costs were not passed on to electricity consumers. The Prime Minister pointed out that the effect of this would be to put the burden on the taxpayer irrespective of their consumption of electricity. The argument rested at this point.

ANDREW TURNBULL

SMH

Geoff Dart, Esq.,
Department of Energy.

SECRET

Subject
L. Marshall

CONFIDENTIAL

file

ECU

VC4AAT



10 DOWNING STREET

From the Private Secretary

29 July 1985

MEETING WITH LORD MARSHALL: THIRD TRANCHE COAL

When Sir Walter Marshall (by the time you receive this letter, Lord Marshall) came to see the Prime Minister today he set out the case for third tranche coal. First there were the industrial benefits from such a scheme. He argued that, under the present pricing system, the price of coal to large industrial users (via electricity generation) was loaded with costs from the uneconomic pits. The effect was to make it unprofitable to carry out certain industrial processes in this country and to drive them abroad, particularly to France. He disclaimed any intention, however, of seeking to match French subsidies. Secondly, he argued, there were benefits for the coal industry. It would provide those working in the newer, productive pits with an incentive to improve performance in the knowledge that this would lead to expanded markets. The NUM would oppose such a scheme as they favoured averaging the costs of the best and worst pits. By relating the selling price of coal to the costs of individual pits, there would be greater pressure on the NCB to close the uneconomic pits.

The Prime Minister said the opposite conclusion could be drawn. If the NCB were free to sell coal from the better pits at a lower price it would have less incentive to close the uneconomic pits, the cost of which would fall to the Exchequer. The NUM might well favour such an arrangement which allowed the industry to increase its sales while uneconomic pits continued in operation. It would be better to maintain a common selling price which would encourage the NCB to close those pits which could not break even at that price. Lord Marshall conceded that in a freely operating market this might be the best course but argued that the process of closing uneconomic pits was bound to take time. By the time the coal industry was brought into balance large scale users of electricity might well have migrated elsewhere.

No agreement emerged from this discussion during the course of which the following points were also made:

- (i) Lord Marshall argued that NCB nearly broke even on steam coal and made the bulk of its losses on coking coal.

CONFIDENTIAL

- (ii) If the third tranche applied to 4 million tonnes it would be necessary to stimulate only an additional 1½ million in order to make up the revenue from cutting the price from £44 to £32 per tonne. He thought this was a feasible objective.

I am copying this letter to Rachel Lomax (HM Treasury).

ANDREW TURNBULL

Geoff Dart, Esq.,
Department of Energy.

CONFIDENTIAL



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

01 211 6402

A Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
London
SW1

26 July 1985

Dear Andrew,

THIRD TRANCHE COAL

You wrote to me on 23 July about Sir Walter Marshall's letter of 22 July. Sir Walter expressed his strong support for these proposals, and his intention to raise this with the Prime Minister at a recent meeting with my Secretary of State.

As you know, the suggestion that there should be a new scheme which would benefit intensive electricity users has been discussed at NEDC. Since then officials from this Department and the Department of Trade and Industry have been examining the idea carefully. My Secretary of State is today sending the Prime Minister a paper setting out the details of the proposed scheme.

Yours ever,

G S DART
Private Secretary

CONFIDENTIAL

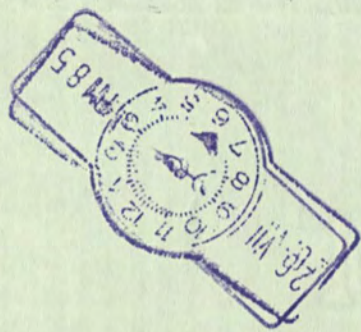
~~CE BU~~

NBEM

AF

26/7

Wat Ind: Coal A 18.



COPIED
1885



N18PM

A0

AT 25/7

Treasury Chambers, Parliament Street, SW1P 3AG

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

25 July 1985

John Walker

NCB (ENTERPRISE) LIMITED

Thank you for your letter of 19 July outlining your intention to announce that the funds available to the NCB(E) are to be increased to £20 million.

As this is consistent with the £20 million limit envisaged by the Prime Minister (No. 10's letter of 26 November), I have no difficulty with this confidence-boosting gesture.

Given that only £1 million has so far been committed, I am sure you are right not to envisage releasing a further £5 million tranche of NCB lending. I hope that it will be possible for our officials to review the basis on which the first tranche has been used before authorising further funds, as I suggested in my letter of 26 November.

Copies of this letter go to members of E(A) and Sir Robert Armstrong.

Yours sincerely
Peter Rees

PETER REES



CONFIDENTIAL

J.D. QADE

File



10 DOWNING STREET |

From the Principal Private Secretary

25 July, 1985.

Following my reminder of 18 July, the Chairman of the National Coal Board has now replied to the Prime Minister's letter of 13 June about intimidation of working miners, and I attach a copy of that reply. The reply is not entirely satisfactory, and in particular does not deal with the machinery which the NCB have established to deal with these cases. Nevertheless, unless your Secretary of State advises to the contrary, the Prime Minister is not inclined to take further action unless or until there is new evidence that the NCB are failing to deal adequately with this problem.

I should report that my written reminder to Mr. MacGregor produced a telephone message from his secretary to the effect that Mr. MacGregor thought that he had answered the Prime Minister's letter through his earlier telephone conversation with me: she asked whether it would be satisfactory if Mr. MacGregor simply wrote down what he had said in that conversation. I said that, on the contrary, Mr. MacGregor had assured me in the conversation that he would be replying in writing, and that, since the Prime Minister continued to attach great importance to this matter, it was essential that the contents of the reply should reassure the Prime Minister that the Coal Board were making adequate arrangements to deal with these cases.

F.E.R. Butler

Geoff Dart, Esq.,
Department of Energy.

CONFIDENTIAL

SPW

PRIME MINISTER

You asked me last week to send a written reminder to Mr. MacGregor about a reply to your letter of 13 June. The reply has now arrived. It is pretty curt, and not very satisfactory and it does not deal with the arrangements which the NCB are making. But I doubt whether it is worth taking further action on it unless or until there is new evidence that the NCB are failing to deal with this problem adequately.

My written reminder to Mr. MacGregor (flag A) produced a further extraordinary exchange. His Secretary rang up and said that Mr. MacGregor thought he had answered the letter by his conversation with me when I had first reminded him of it. He asked whether it would be satisfactory if he simply wrote down the contents of that conversation. I reminded him that in that conversation he had assured me that he was going to reply in writing, and I said that, since you continued to attach great importance to this matter, the contents of the reply should be positive and constructive. Further evidence that Mr. MacGregor is not now an easy or consistent person to have dealings with!

F.R.B.

24 July 1985

Subject
a master

SECRET



COPY NO 6
OF SIX COPIES

File CAM
20

10 DOWNING STREET

24 July, 1985

From the Private Secretary

Dear Geoff.

The Prime Minister held a meeting today to discuss power station endurance. Present were the Chancellor of the Exchequer and the Secretaries of State for Energy and Scotland. Also present were Mr. Gregson, Mr. Manley and Mr. Unwin. The meeting had before it the Secretary of State for Energy's minute of 19 July.

i. Coal Stocks

The Secretary of State for Energy said the current objective was to raise power station stocks to 23mt by October 1985. Despite a colder spring and summer than average, the build-up of stocks was running to schedule as deliveries had been better than expected. No pits were being kept open simply to produce for the build-up of stocks.

23 mt would provide about six months endurance. It was very close to the figure of 24 mt which was in place at the start of the strike in March 1984. Ministers needed to consider whether to raise stocks to around the maximum of 31 mt which would provide around twelve months endurance. The Secretary of State for Energy believed that the extra interest cost of carrying the extra stock was a reasonable price to pay for the additional insurance.

In discussion, it was argued that the costs to the PSBR of building up stocks would be substantial. The cost of carrying higher stocks should be borne by electricity consumers as it was they who had benefited from continuity of supply during the strike and who stood to benefit again in future. Against this, it was argued that the electricity industry would strongly resist being made to pay these extra costs. At present, they were resisting the costs even of the six months target, though it was likely they could be persuaded to accept it. There was little prospect, though, of securing agreement to bearing the costs of a twelve months objective. The unions, whose co-operation had so far been secured, would object to additional costs which they would see as damaging the prospects for the electricity industry.

SECRET

JB
25/7

Summing up this part of the discussion, the Prime Minister said it was not necessary to take a decision now on the ultimate objective. An intermediate objective would be to maintain deliveries at their maximum rate through the winter which would maintain stocks at about 22 mt by March 1986. This would keep open the option of moving 31 mt by October 1986. Ministers should return to the issue in December 1985.

ii. Scottish Interconnector

The Secretary of State for Energy reported that the CEGB had examined the case for expanding the Scottish interconnector but had concluded that it was not cost-effective. Expenditure of £60 million would add only nine days to endurance and had the disadvantage that it involved a period in which the capacity of the interconnector had to be reduced. It was agreed that this option should not be pursued further at present.

iii. French Interconnector

The Secretary of State for Energy reported that the first cable of the interconnector would be in operation by October 1985 and the second cable a year later. The CEGB had entered into a two-year contract to import electricity which would utilise the first cable fully. No contracts had yet been signed for use of the second cable.

It was argued that the CEGB should contract as soon as possible to use the second cable fully; to delay until a dispute was in progress would weaken its negotiating position. Against this it was argued that there were strong disadvantages in presenting a policy of maximum imports. There was no need to sign a contract quickly as the French had surplus electricity and would always be ready to supply. It was agreed that two-year rolling contracts should be entered into for imports fully utilising both cables but the Secretary of State for Energy and the CEGB should exercise discretion about the timing of such contracts.

iv. Oil Burn

The CEGB's plans to improve the flexibility of switching from coal to oil and for widening the scope of what was considered normal working were approved. It was noted that there was little scope for extra storage of oil.

v. Transport

It was noted that substantial amounts of coal were being moved by road. This was helpful in establishing the handling of coal delivered to power stations by road as part of the normal working practice. The agreement between the CEGB and BR was due to be renegotiated in January 1986. This also should establish some road deliveries as part of the normal working.

vi. Imports

The CEGB was currently importing from the stock of coal held at Rotterdam. Under the contract with Australia, further imports would be made. Smaller amounts of coal from other sources were also being imported.

I am sending a copy of this letter to Rachel Lomax (HM Treasury), John Graham (Scottish Office), Richard Hatfield and Brian Unwin (Cabinet Office). I would be grateful if it could be shown only to those concerned with the work of MISC 57.

*Yours sincerely
Andrew Turnbull*

(Andrew Turnbull)

G. Dart, Esq.,
Department of Energy.

CC 100

NATIONAL COAL BOARD
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1X 7AE

01-235 2020

CHAIRMAN

Ian MacGregor

23rd July, 1985

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

Dear Prime Minister,

Thank you for your letter of 13th June.

Firstly, I can assure you that every complaint of intimidation reported to us is fully investigated. Although there are only a very few cases we are fully aware that they are, of course, distressing to the individuals concerned and we are therefore doing our utmost to deal with them expeditiously.

Of the 106 "hardcore" cases reported to us 43 men have been made or are being made redundant by request, 21 have declined an offer of transfer or redundancy and are remaining at their pit, one has left the industry voluntarily, 36 have been transferred or a transfer is being arranged and 5 have yet to be interviewed for transfer.

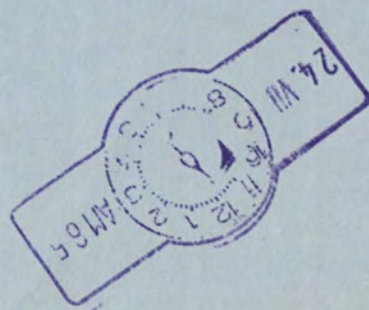
Finally, you can be assured that we will not relax our efforts until peace has been restored in all our communities.

Sincerely,

Ian MacGregor.

3011/7/85/L/004/AJP

Coal: NaE. Ind PC-18.



CONFIDENTIAL



LOBAN
file

10 DOWNING STREET

From the Private Secretary

23 July 1985

THIRD TRANCHE COAL

Sir Walter Marshall intends to raise the issue of electricity generated from third tranche coal at his meeting with the Prime Minister - a copy of his letter is attached. I should be grateful for a brief on this issue, which should indicate not only the benefits to intensive users of electricity, but also the difficulties such a proposal might raise for existing policies towards nationalised industry prices. Could this reach me by close of play on Friday, 26 July?

ANDREW TURNBULL

Geoff Dart, Esq.,
Department of Energy.

CONFIDENTIAL

ear



CENTRAL ELECTRICITY GENERATING BOARD

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

*From the Chairman
Sir Walter Marshall, CBE, FRS*

22 July 1985

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

Dear Prime Minister

I am due to see you on Monday 29 July primarily to discuss my role in the House of Lords. Peter Walker knows I am seeing you on that subject and has suggested I take the opportunity to talk with you about my proposals concerning electricity prices to intensive users. This is intimately linked to the use of a third tranche of coal from the NCB. I understand you have heard something of these plans from the NCB but you may not be aware of the fact that they are proposals which have arisen on the CEGB's initiative and to which I personally attach great importance. I would, therefore, welcome the opportunity of speaking to you about the merit of the scheme before the Government makes any final decisions on the matter.

Yours sincerely

W Marshall

CONFIDENTIAL

PRIME MINISTER

23 July 1985

POWER STATION ENDURANCE

First, which measures are worthwhile?

Neither the very limited scope for strengthening the Scottish interconnector by the Winter of 1987/8 (9 days extra endurance in 12 months for £60 million) nor the possibility of more substantial strengthening in 7-10 years' time, are cost-effective insurance arrangements.

The CEGB can get better value from a multitude of modest initiatives which collectively provide a high degree of flexibility without jeopardising the continued support of the power workers. Permanently and efficiently modifying the start-up oil burners in conventional coal-fired stations should give us contingency oil-fired capacity averaging roughly 50% of normal. Routinely transporting coal and oil by road or barge will reduce the risk of future supply disruptions by militant rail unions.

At least in the medium term, oil looks a good prospect as a back-up fuel. Oil prices in dollars are likely to remain soft - especially residual fuel oil. This, and the strength of sterling against the dollar, have considerably narrowed the cost penalty of burning oil instead of coal. With gas prices likely to rise in real terms, and the cost of converting coal-fired stations to dual-fired coal/gas stations being expensive

CONFIDENTIAL

CONFIDENTIAL

- 2 -

(because of safety measures), the wider use of gas as a back-up fuel is understandably ruled out.

The steps being taken by the CEGB are sensible. However, you might question whether, by waiting, we are foregoing the opportunity to conclude favourable commercial terms for the second phase of the Cross Channel electricity link. The greater our perceived need, the harder the French will negotiate. Peter Walker will say that he doesn't want to antagonise the power unions. But low-cost security measures should be good news for the electricity industry, because they will ultimately increase the appeal of electricity to consumers.

Coal Stocks at Power Stations

This difficult judgement touches on some of the Government's more important objectives. We must deny Scargill any realistic prospect of disrupting electricity supplies over at least the next two Winters. We must avoid giving the NCB any pretext for delaying the closure of economic pits or, more widely, the restructuring of the industry. We need to retain the support and co-operation of the power unions - a vital defence against a militant, disruptive NUM. We must not compromise the Government's tough line on public expenditure.

The safe course has an obvious appeal. Set our sights on 12 months' endurance (32 mt) by October 1986. Financing the additional £370 million of working capital will cost the CEGB

CONFIDENTIAL

an additional £50 million pa. For the consumer, that would represent perhaps a $\frac{1}{2}\%$ increase of tariffs - arguably, a reasonable price to pay for increased supply security.

electricity consumers did very well during the strike. They should be asked to contribute to the insurance premium against the next one.

But there are disadvantages. The foreseen row with the electricity industry if they have to carry the cost will help neither supply endurance nor our vigorous attack on public sector expenditure. It will tend to set back the restructuring the coal industry, by delaying for yet another year (or more) the time when the NCB has to confront its normal market prospects. The Treasury will claim that the burden on the PSBR through lost coal exports is not £85 million (for 3 mt) as stated in Peter Walker's paper, but probably twice that number.

An Intermediate Course

There is an intermediate course which we recommend.

- Reaffirm the objective of 6 months' endurance at the start of next winter. We cannot achieve more.
- Leave until Spring 1986 the decision of whether to go for 6 or 12 months' endurance for the following Winter. That is a prudent position which need not antagonise the electricity industry or compromise the Government's hard line on public sector expenditure. There is enough genuine uncertainty to avoid becoming hooked on specific numbers.

But if decision is delayed can 12 months still be achieved.

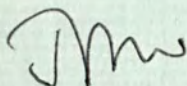
CONFIDENTIAL

- 4 -

- Do not constrain coal production from economic pits over the coming Winter. If export opportunities arise at attractive prices, the NCB should grab them. Real market outlets must be developed.

- If we were to decide on a maximum of 6 months' endurance, the CEGB's coal stocks would, under average Winter conditions, be drawn down from 23 mt this Autumn to 19 mt in Spring 1986. If, on the other hand, we keep the priority on rebuilding coal stocks while still allowing for attractive export opportunities - probably few - it is likely that the NCB could sustain supplies to the CEGB, such as to finish the Winter with power station stocks around 21 mt. From that starting point, it should still be possible to build stocks over the Summer of 1986 to close to the 32 mt needed for 12 months' endurance. Cheap fuel oil might be used selectively to assist the stockbuild process.

We understand that the lack of a recommendation by Peter Walker indicates his uncertainty. The Treasury appreciate the risks which weigh against sticking at 6 months' endurance, but at this stage would rather not be committed firmly to 12 months' endurance by October 1986.



JOHN WYBREW

CONFIDENTIAL



SECRET

19

P 01607

PRIME MINISTER

POWER STATION ENDURANCE
MEETING AT 3 PM ON 24 JULY 1985
WITH SECRETARY OF STATE FOR ENERGY AND CHANCELLOR OF THE EXCHEQUER

INTRODUCTION

The purpose of this meeting is to discuss the following three issues
--- in Mr Walker's minute of 19 July:

(i) The future level of coal stocks at CEGB power stations
(paragraphs 2-10).

(ii) Strengthening of the Scottish Interconnector
(paragraphs 11-13 and Annex 1).

(iii) Progress on endurance recommendations made by the
--- Official Group on Coal in their report on the lessons of the
miners' strike (Misc 57(85)9, paragraphs 14-15 and Annex 2).

MAIN ISSUES

(a) Coal Stocks

2. There are two issues here:-

(i) progress on building up stocks in the short-term;

(ii) the target level for the longer term.

3. On the short term, Mr Walker reports that the CEGB and NCB are
on course to achieve the level of 23 million tonnes (equivalent to
six months endurance) which you set in March. You will, however,
wish to assure yourself that:



SECRET

- all foreseeable events that might prejudice this target
eg coalfield holidays, have been taken into account;
- contingency arrangements have been made to cater for unexpected events eg for moving coal quickly by road if there is industrial action on the railways (as press reports indicate there might be);
- contingency plans are in hand to resume additional oil burn and continuous running of nuclear stations should the need arise;
- there are no problems about availability of ancillary materials.

4. On the longer term, the central issue is what level of endurance, and thus what level of coal stocks at power stations, should be achieved by October 1986. Mr Walker reports that, barring industrial disruption, it should be physically possible to achieve stocks of about 31 million tonnes at power stations by October 1986 (virtually equivalent to one year's endurance). This would, however, have substantial financial implications. First, there is the additional interest cost (put at over £50 million a year) of carrying higher stocks than the industry judge necessary for normal commercial purposes. In principle, this would have to be met either by the taxpayer (through meeting the increased NCB deficit) or by electricity consumers (which seems reasonable, since they will be protected). Mr Walker floats, only to reject, the possibility of deliveries from the NCB on deferred payment terms. Second, there is the opportunity cost of revenue from export sales foregone. This would be a cost to the PSBR in the sense that it would otherwise accrue to the NCB and improve their finances. Mr Walker puts this at some £85 million, although I understand the Treasury believe the figure could be much higher (they think export sales foregone could be double Mr Walker's figure of 3 million tonnes).



SECRET

5. In addition to these financial costs, a decision on whether to ask the industries to plan for an endurance target of 12 months will also turn on:-

(i) the assessment of risk. What are the prospects of further industrial action in the coalfields and elsewhere over the next 12 months or so?

(ii) the degree of enhancement to endurance from additional oil burn, nuclear power output, and use of the Anglo French Interconnector (see further paragraph 8 below).

You will want Mr Walker's assessment on both these points. If you do decide to plan for coal stock levels of more than the 23 million tonnes (6 months) which is likely by the end of October 1985, you will need to ask Mr Walker and the Chancellor of the Exchequer to bring forward proposals separately on the financial and other details. It would, of course, be possible to plan for a stock level between 6 and 12 months endurance (say, 9 months); thus reducing the financial problems.

(b) Scottish Interconnector

6. The study in Annex 1 concludes that given the severe technical problems, expenditure of £60 million to increase capacity from 1000 to 1250 mw could achieve only an additional 9 days endurance, in any 12 month period, and not before November 1987. Any more substantial uprating could not be achieved before 1992-95 and would cost up to £320 million. Mr Walker therefore recommends against these options. His conclusion on the first option seems sensible - the £60 million could surely be better employed in other ways - but you may wish to consider whether further work should be undertaken on the longer term options.

(c) Progress on other Endurance Recommendations



SECRET

7. Mr Walker has been considering with the CEGB the check list of options for further increasing power station endurance in the MISC 57 report. He concludes that, on the short term, no immediate decisions are required on his progress report in Annex 2, but that he should monitor the forthcoming commercial discussions between the CEGB, BR and NCB. These will deal with such matters as the quinquennial review of the BR-CEGB contract for moving coal to power stations by train (due in January 1986) and the effects of the current CEGB-NCB joint understanding that restricts the CEGB's facility for importing additional coal. On the longer term, Mr Walker simply suggests that he should return to the future of the cross channel link and the development of the nuclear programme "at the appropriate time", but that no decisions can be taken now.

8. On the short term, I shall be preparing a progress report in MISC 57 in the autumn on all the follow-up action stemming from the earlier report on the lessons of the Miners' Strike. We shall need to take account of Mr Walker's "monitoring" of the CEGB's commercial discussions in this. On the longer term, although Mr Walker is probably right in saying that no decisions can be taken now, I wonder whether it is sensible to delay consideration of a further Cross Channel Link with France for 2 to 3 years? It might also be worth considering the possibility of taking more from the existing link than the 1000 MW due to be available from the end of October (which represents only half its capacity) and of negotiating forward contracts (there are at present no contracts beyond 2 years). You may wish to probe Mr Walker on these points.

HANDLING

9. You will wish to ask the Secretary of State for Energy to lead on the individual items for discussion, with the Secretary of State for Scotland and the Chancellor contributing as appropriate.



SECRET

CONCLUSIONS

10. You will wish to decide:

(i) whether to ask the coal and electricity industries to plan for an endurance target of 12 months, or some shorter period, and, if so, how the financial implications should be further handled;

(ii) whether to proceed with the option for increasing the capacity of the Scottish Interconnector from 1000 to 1250 MW, at a cost of £60 million;

(iii) whether any further action (eg further study of the Cross Channel Link) needs to be taken now on the other short or longer term options that Mr Walker has under review.

J B UNWIN

23 July 1985
Cabinet Office

WEEKLY COAL AND POWER STATION STATISTICS (1)

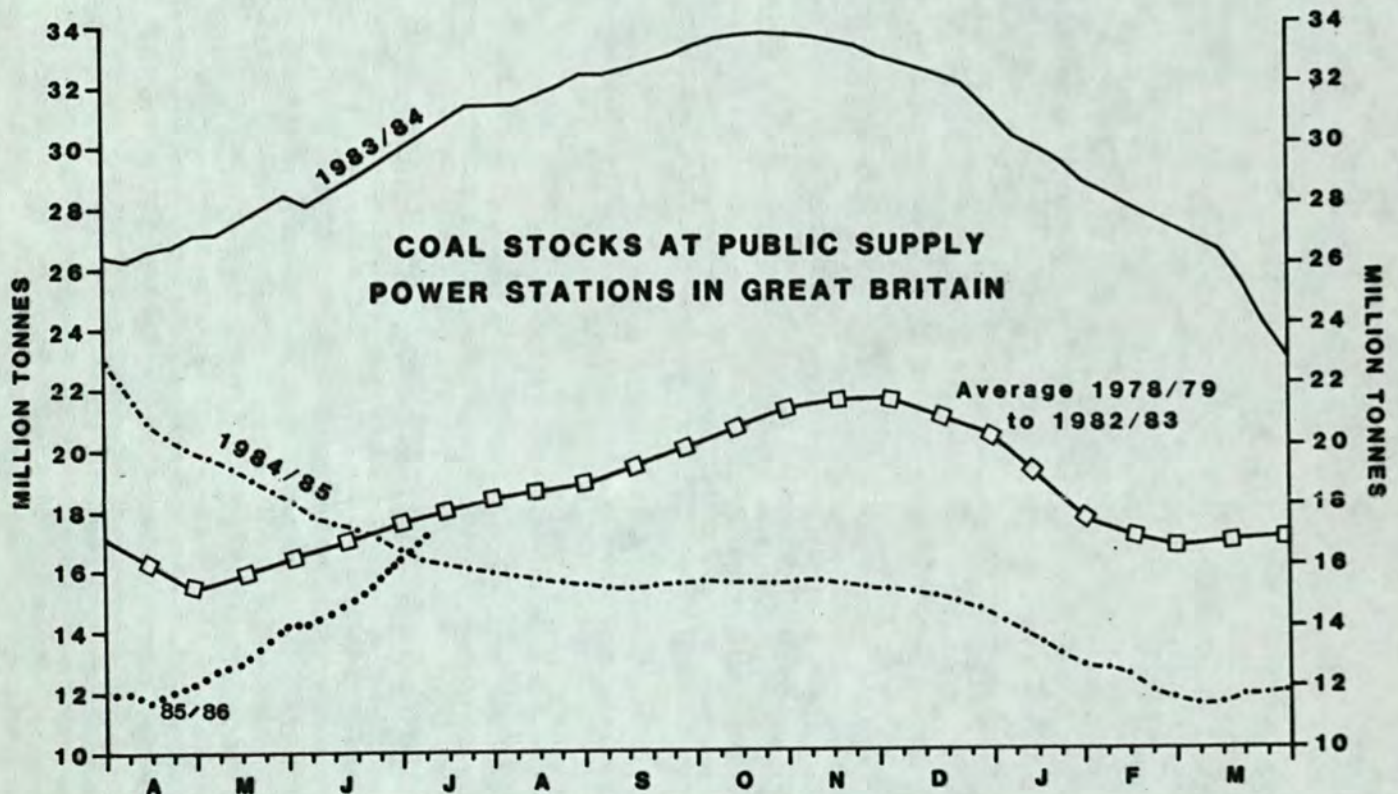
22 July 1985

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

Week ending 9.7.83 7.7.84 15.6.85 22.6.85 29.6.85 6.7.85

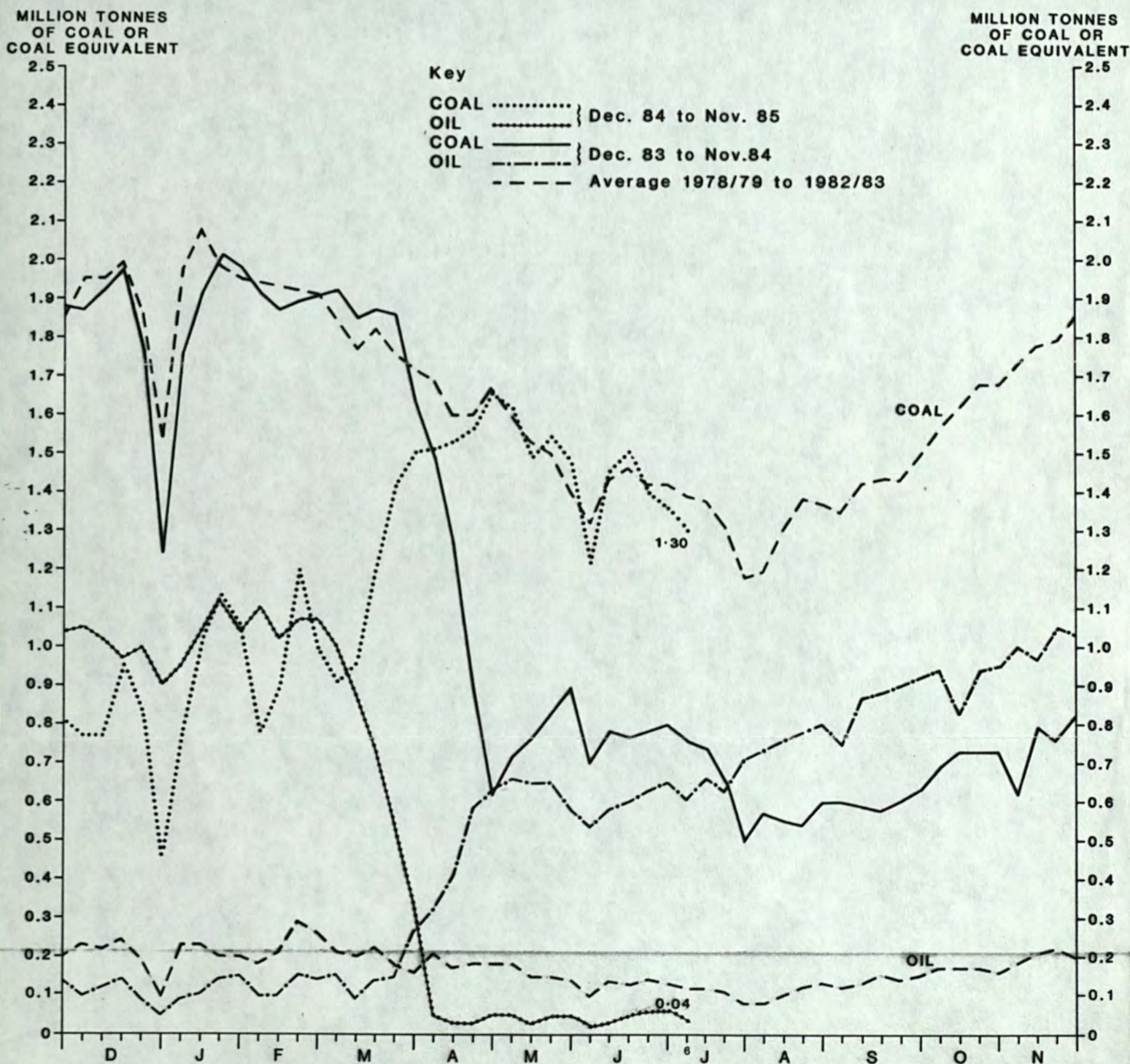
COAL	PRODUCTION	deep mines+	1.92:	0.40:	1.81	1.88	1.82	1.68
	(m. tonnes)	opencast+	0.30:	0.31:	0.34	0.35	0.42	0.34
	TOTAL		2.22:	0.72:	2.15	2.22	2.24	2.02
COAL	PRODUCTIVITY(2)	'overall'	2.48:	2.16:	2.54	2.64	2.61	2.60
	(tonnes/manshift)	'production'	10.88:	10.49:	11.09	11.35	11.73	11.42
UNDISTRIBUTED STOCK								
(m. tonnes)	TOTAL		24.75:	22.44:	14.98	14.61	14.24	14.08
COAL STOCKS	(m. tonnes)		30.48:	16.39:	15.12	15.80	16.49	17.10
COAL CONSUMPTION	"		1.33:	0.76:	1.51	1.40	1.36	1.30
COAL RECEIPTS	"		1.76:	0.45:	1.97	2.09	2.05	1.90
POWER STATIONS	OIL STOCKS(3)	"	1.07:	1.08:	0.95	0.93	0.92	0.92
	OIL CONSUMPTION(3)	"	0.04:	0.36:	0.03	0.04	0.04	0.02
	OIL RECEIPTS(3)	"	0.04:	0.31:	0.01	0.02	0.02	0.02
POWER STATIONS	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	618:	671:	773	877	926	934
	Other Steam	"	3,064:	3,151:	3,518	3,335	3,234	3,074
	TOTAL	"	3,681:	3,821:	4,292	4,212	4,160	4,008
TOTAL - temperature corrected	"		3,814:	3,764:	4,079	4,048	4,079	4,044

(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.
 + includes licensed production.



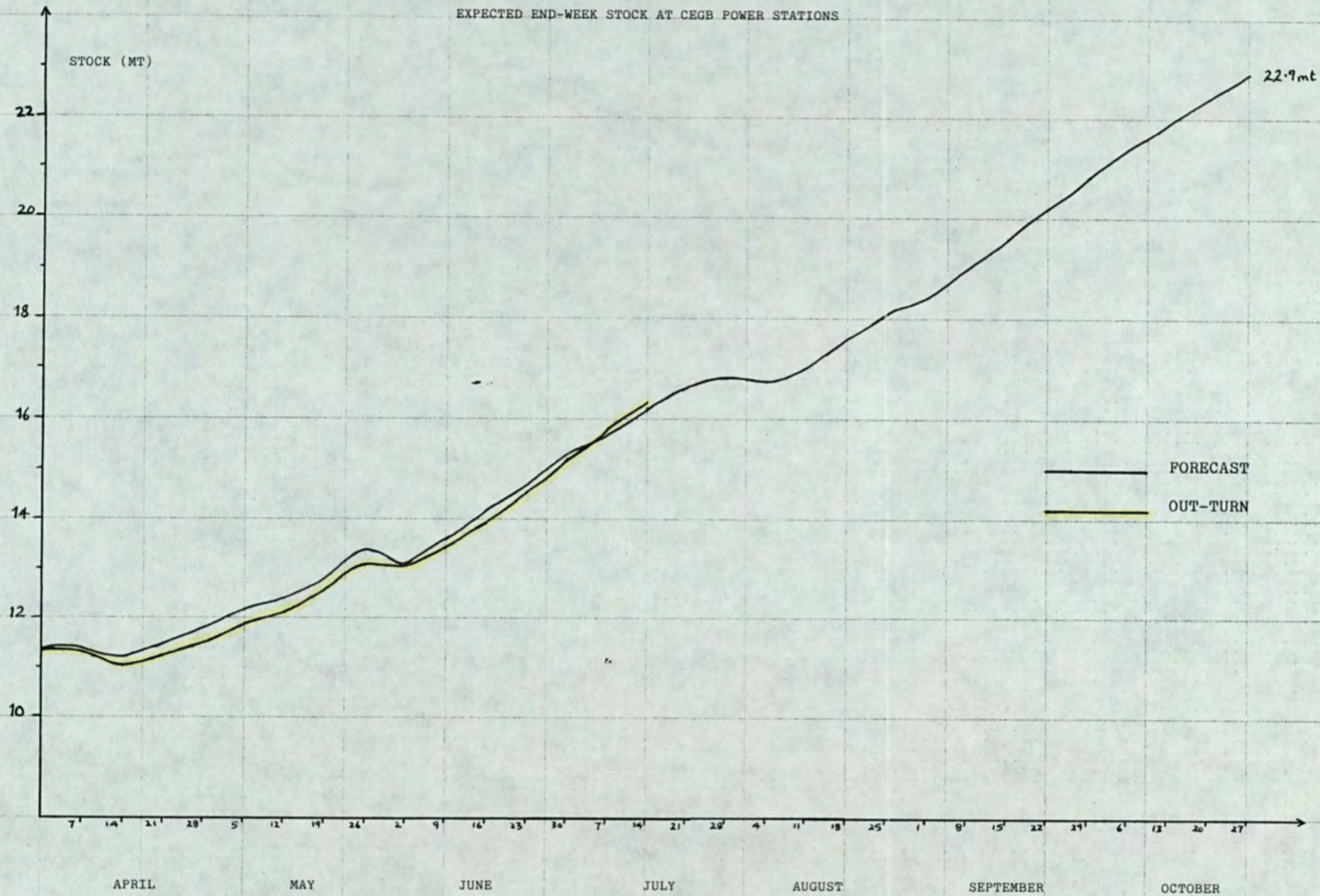
CONFIDENTIAL

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

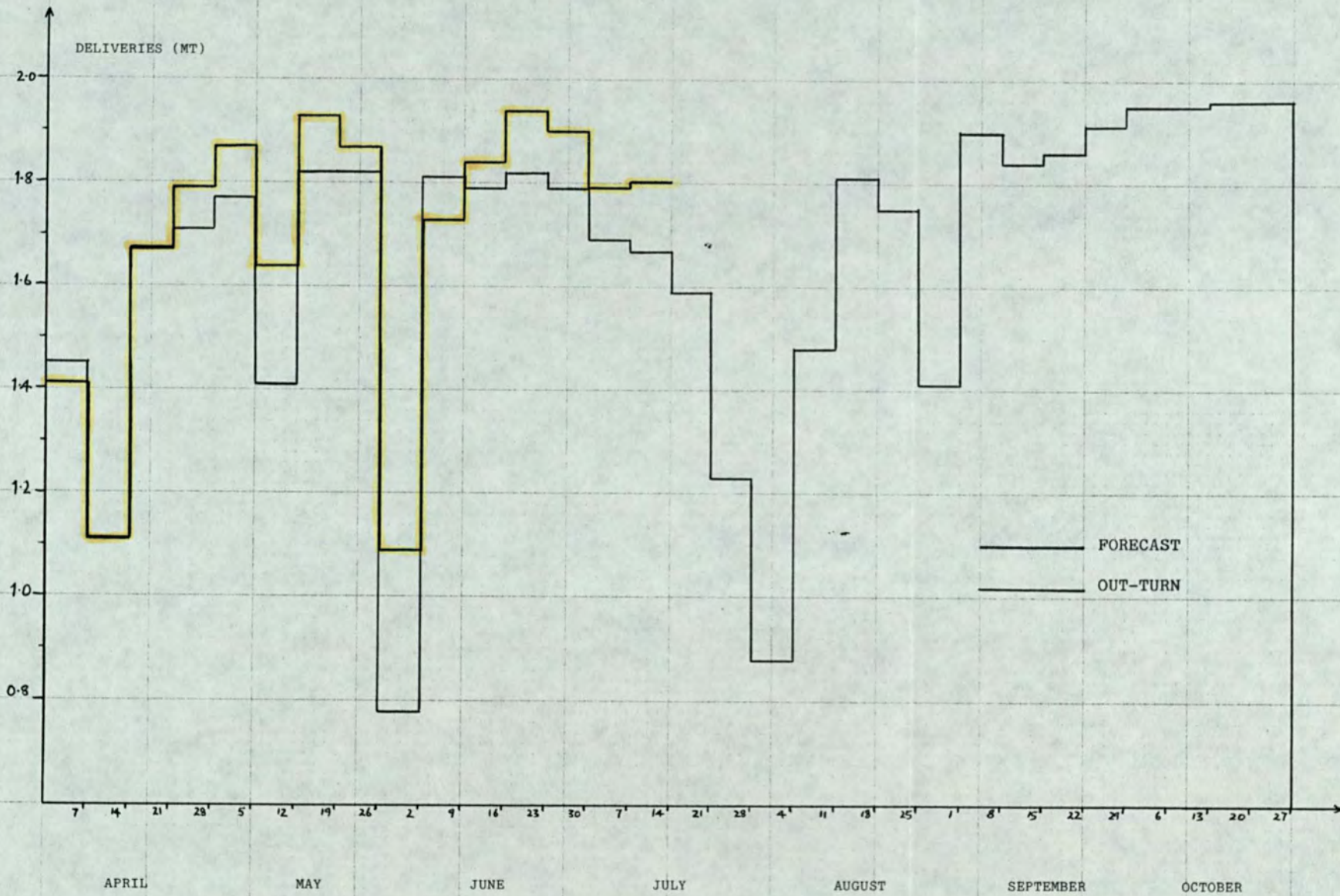


CONFIDENTIAL

EXPECTED END-WEEK STOCK AT CEGB POWER STATIONS



EXPECTED WEEKLY DELIVERIES TO CEGB POWER STATIONS



18.

ce/ro

PRIME MINISTER

ENDURANCE

We are to meet on Wednesday next to discuss endurance. This minute discusses the next steps on building up coal stocks and a number of related issues which have a bearing on the CEGB's endurance.

COAL STOCKS

2. At our meeting in March we agreed to ask the NCB and the electricity supply industry (ESI) to aim at rebuilding coal stocks at power stations to give the equivalent of six months' endurance (23 million tonnes by the end of October 1985). The NCB and CEGB are working on this basis, and are on course to achieve the target: higher coal burn due to unexpectedly high demand this summer has been offset by higher deliveries from the NCB.

3. We must now decide what programme the industries should plan to work to beyond this October. In particular they need guidance on whether to continue with a target of six months' endurance or to aim at the ability to endure for longer.

4. I am sure that we should not aim at a level of stockbuilding which could be achieved only by delaying the closure of uneconomic pits: we must do nothing that might impede the progress of the NCB towards break even by 1987-88. The NCB's existing plans suggest that the maximum which the NCB could deliver would be 34 million tonnes during the last five months of 1985-86 and 43 million tonnes in the first seven months of 1986-87. During the same period the CEGB would expect coal burn to be 75-76 million tonnes. Allowing for non-vested production and imports during the period (say 6½ million tonnes), the total stock build between October 1985 and October 1986 would be of the order of 8 million tonnes, to give total stocks of about 31 million tonnes. This would be very close to the 32 million tonnes which is assessed to be the amount required in October to give a full 12 months' endurance, and for which the CEGB has stocking facilities readily available. So a target of 12 months' endurance by October 1986 is a feasible option.

5. We must also consider carefully the financial implications.



6. The Electricity Council is discussing this month its attitude to the financing of coal stocks but it is certain that the industry will refuse to finance stocks as high as 31 million tonnes. In their view, the industry should not have to accept the financial burden of maintaining coal stocks above the level judged necessary for commercial reasons, say a level of 12 million tonnes in October. They will argue that it is not reasonable that the industry should be required to earn the target rate of return on assets which it does not need for normal business purposes; and they are worried that the additional interest burden on the stocks (which would be in excess of £50 million a year) might force the industry, through pressure on the EFL, to reduce expenditure which it would regard as more desirable.

7. In short, while some in the industry would be willing to accept a stock level giving six months' endurance, as we decided in March, as a reasonable charge on the industry's finances, the industry as a whole will be unwilling to go further. If the ESI is asked to build stocks to a level significantly higher than the equivalent of six months' endurance, it will press for special payment arrangements or some other form of Government financial assistance.

8. The difficulties of direct Government assistance are obvious. Special arrangements might be made for deliveries of coal above a certain level to be on a deferred payment basis. But the NCB face the difficult task of moving to break even in the next two years. I would be reluctant to impose on NCB's demanding financial prospectus additional financial charges associated with deferred payment deliveries to CEGB.

9. There will also be some cost to the PSBR. Even with the rapid run down of the coal industry currently envisaged the coal stocks under discussion will be a charge on the PSBR one way or another. But the alternative to a transfer to the CEGB is the maximum feasible additional exports sales. An additional 3 million tonnes of export sales might be feasible, so revenue of, say, £85 million could be lost to the PSBR if the coal is transferred to the CEGB.

10. It is for decision, therefore, whether we ask the two industries to plan for an endurance target of 12 months at a net cost to the PSBR of say £85 million. Officials would then need to discuss the financial arrangements to cover such a programme of coal stock build.



STRENGTHENING THE SCOTTISH INTERCONNECTOR

11. You were particularly keen that, in the context of improving endurance, there should be an urgent study of the case for strengthening the Scottish Interconnector. This is discussed in the attached note by officials at Annex 1.

12. The only option which could have any impact on the situation in the near future would provide an increase in capacity from 1000 MW to 1250 MW, would not be ready until November 1987, and would involve a period of seven months in 1987 during which one of the two present interconnectors would be out of action. It would provide only nine days extra endurance over a twelve month period at a cost of £60 million. I agree with the CEGB that this would not be justified and that there would be many better ways of spending that amount of money to improve endurance.

*Watts
Coshing
P. Smith*

13. There are two other options for more substantial enhancement of the interconnector, one providing an increase to 1500 MW at a cost of £220 million and the other providing an increase of 2000 - 2500 MW at a cost of £320 million. In either case the necessary work would take until 1992 and might not be completed until 1995. I am not at present persuaded that either investment would be worthwhile for the reasons mentioned in Annex 1.

ENDURANCE LESSONS LEARNED FROM THE STRIKE

14. Earlier this year MISC 57 drew up, in the light of experience during the strike, a check list of possible options for further increasing power station endurance. The CEGB have their own review in hand and I expect a report from them shortly. I will bring to your attention any aspect of their report requiring action by us. In the meantime, I attach a note by officials (Annex 2) which discusses the MISC 57 check list. That note has been prepared after full discussion with the CEGB and reflects their current thinking in the light of the strike.

15. It is already clear that the CEGB have taken action, or have it in hand, to ensure, as far as possible that the flexibility they were able to apply during the strike will be available to them in any future dispute. They, rightly, attach considerable importance to maintaining the support of their own workforce and, with this in mind, establishing the normality of the flexible use of the



system that will need to be built-on during an emergency. No immediate decisions are required by us on the short term issues discussed in Annex 2 although we will need to monitor CEGB's commercial discussions with BR and the NCB. As for the longer term, we must return to the future of the cross channel link and to the development of the nuclear programme at the appropriate time but no decisions can be taken now.

16. I am copying this minute to the Chancellor, George Younger, and to Sir Robert Armstrong.

Friday 19 July 1985

PP

PETER WALKER

(Approved by the Secretary of State and signed in his absence)

SECRET

The possible case for expanding the Scottish Interconnector
(bearing in mind the increase in over-capacity in Scotland
when the Torness AGR is operational in 1988)

As requested, officials have reviewed with both the CEGB and the SSEB the practical possibilities for expanding the interconnector with Scotland. The preliminary results of this exercise are set out below. However, this is a complicated question, not least because the CEGB's transmission system behaves fundamentally differently under endurance operation than in normal operation. Thus further detailed engineering and computer simulation studies would need to be undertaken to confirm these tentative results.

There are two physical interconnections between the CEGB and SSEB systems with 275 kV lines running from Stella to Cockenzie on the east side of the country and from Harker to Strathaven on the west side. These are illustrated on the attached diagram. The present capacity of the interconnector enables a firm power flow of some 1000 MW to be transferred to England on a continuous basis. It operated well during the miners' strike with a maximum transfer of 149 GWh during one week.

At present, modifications are being made to connect Torness to the system. The Torness to Dalkeith 400 kV line (shown as a broken line in the diagram) is three-quarters completed and the Torness to Eccles 400 kV line will be completed by the end of 1986. The twin circuit eastern interconnector between Stella and Cockenzie although operating at 275 kV was constructed to allow operation at 400 kV. As a part of the operation to tie-in Torness additional switchgear and transformers will be added to upgrade one circuit to 400 kV. Thus, by the end of 1986, the eastern interconnector will consist of one circuit operating at 275 kV and one at 400 kV.

In addition, the CEGB's present system planning includes a programme of reinforcement to the national grid north of the Midlands to eliminate present system bottlenecks which have the effect of limiting transmission capability from north to south. This work is primarily designed to deal with anticipated future power flows in the system, eg from the AGRs at Heysham and Hartlepool. However, it will also have the additional effect of creating further flexibility to deal with a higher level of imports from Scotland. The work should be completed by 1989.

For some time the CEGB and the SSEB have been considering the possibilities for reinforcing the interconnector further. However, the two Boards have found it difficult to identify an economically justifiable solution. On present thinking, one possibility would be to undertake the following programme:-

- (i) The Stella to Harker 275 kV line, which is old and cannot be uprated, would be rebuilt to allow operation at 400 kV. The present Stella to Norton 275 kV line would also be upgraded/rebuilt to allow 400 kV operation.

SECRET

- (ii) The western interconnector cannot be uprated and would be rebuilt to give a twin circuit interconnector with one circuit operating at 275 kV and one at 400 kV.

These changes would cost some £220 million (of which perhaps £120 million would be for the CEGB and £100 million for the SSEB). The lines that would need to be rebuilt would almost inevitably give rise to public inquiries given the environmental sensitivity of the routes. The new lines would be built parallel to the existing ones and then tied-in, with the old lines then being demolished. This would minimise any necessary down-time on the interconnector. The work would be likely to take until 1992 and might not be completed until 1995. This would increase the capacity of the interconnector to some 1400 - 1500 MW on a continuous power flow basis, ie an increase of 40 - 50% on the present capacity.

While the Boards have not committed themselves to undertaking such a programme their general view is that this is the most that could ever be justified on an economic basis. However, even this on further examination could prove to be uneconomic. While the western interconnector will at least need to be reconducted at some stage, this could be done at 275 kV yielding a negligible increase in the capacity of the interconnector.

Recognising the lack of economic justification for going any further; we have nevertheless reviewed with the Boards what further enhancement would be technically possible. The two interconnectors could be rebuilt/upgraded with additional switchgear and transformers added to operate both circuits at 400 kV. To maximise the power flow, two static var compensators would also need to be installed, probably at Strathaven and Cockenzie, and the SSEB would need to refurbish and rebuild its east/west interconnection between the Clyde and Forth valleys to operate at 400 kV. The total additional cost would be some £100 million, of which £50 - 80 million would be for the SSEB and some £20 - 30 million for the CEGB. It should be possible to complete the work in the same timescale, ie 1992 to 1995. This would increase the capacity of the interconnector to some 2000 - 2500 MW, ie an increase of 100 - 150% on the present capacity.

However, this would not be the end of the matter. It is first necessary to consider the effect of this increased capability on the CEGB's transmission system in the north of England in the 1990s. On present plans there would not be sufficient transmission capacity for a north/south flow at this level. To overcome this when the grid is being operated normally would require system reinforcement into the heart of the grid. This could require a new 400 kV line probably from Stella down to around York, and this could cost a further £100 million or so. Such a new line would undoubtedly be contentious and with the necessary public inquiry would take between 7 and 10 years to complete. This would be necessary if the enhanced capacity of the interconnector was to be fully available at all times. However, if the enhancement was being considered primarily to yield flexibility

SECRET



(3)
SECRET

in any future dispute then, on the assumption for example that the operation of the northern coal-fired stations was being restricted to conserve coal, it is just possible that the full capacity of the interconnector could be utilised in an endurance situation without such further reinforcement of the grid.

It is also necessary to consider the available capacity in Scotland in the 1990s to support such power exports. The economic limit in terms of normal trading would be around 1500 to 1600 MW. However, in an endurance situation, exports could be sustained at up to 2500 MW during the summer given full oil burn at Inverkip and Peterhead and with some coal burn at Scottish stations. The winter would be the difficult period. On the basis of the SSEB's present coal stocking policy exports of some 1500 MW could be sustained in the winter. This level could only be raised to 2500 MW or so by providing additional coal stocks in Scotland of perhaps 3 - 4 mt specifically to sustain higher levels of power export to England and Wales. Clearly the SSEB would not expect their consumers to have to finance these. Also, as consumer demand grows through the 1990s the SSEB export capacity would be diminishing with time and would probably not exceed 2000 MW by the year 2000 unless new plant had been constructed.

Thus, while a major enhancement of the interconnector is technically possible it could not be operational until between 1992 and 1995 and it is questionable whether sufficient spare capacity would exist for long enough in Scotland to justify the significant expenditure involved. It could not be justified on the basis of normal trading and even in an endurance situation would require additional coal stocks in Scotland to utilise the export capability in winter. If such stocks were to be financed they would be better placed directly at the CEGB's stations.

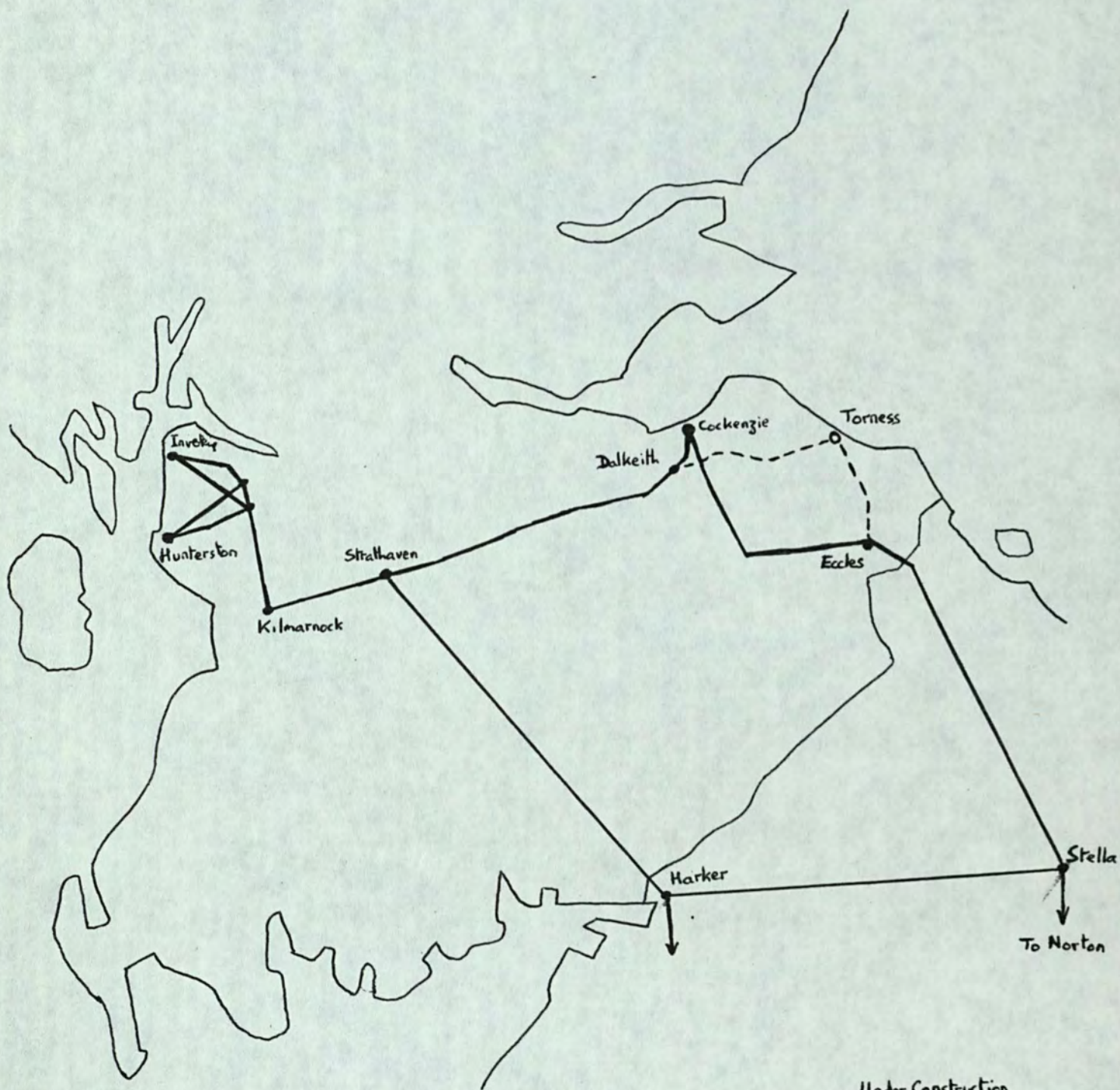
We have also considered with the Boards the technical possibilities of enhancing the capacity of the interconnector in the short-term. The most advantageous option would be to re-conductor the western interconnector utilising the present towers. If this proved to be possible the work could proceed without the need for any further consents or planning permission, but detailed negotiations with landowners for access would be necessary. It is believed that the towers could take new 700 sq mm conductors without modification, but their operation would somewhat be constrained by ground clearances. In addition, faster switchgear and static var compensators would be required at Strathaven and Cockenzie and a further static var compensator at Harker. This would give a firm power capability of some 1250 MW for the interconnector, ie an increase of some 25% on the present capacity.

The actual re-conductoring of over 100 miles of line would take a period of some 7 months. This would be a major exercise, requiring four or five gangs starting at different points and could not be undertaken at the same time as the work to tie-in Torness. Therefore it would have to take place during 1987. The re-conductoring would mean a significant period during which the western interconnector would not be available thus weakening system security as well as causing a loss of export earnings for the SSEB for which they would probably wish to be compensated. The cost of the work alone would be some £60 million made up of £30 million for line work and £30 million for the static var

SECRET

compensators and switchgear. The construction and installation of the static var compensators would also be on the critical path. There would be no possibility that they could be available in much less than 27 months, but the Boards feel reasonably confident that they could be installed by November 1987 in time for the 1987 winter. However, given the CEGB's recent experience with the main UK supplier GEC it might be necessary to go abroad to guarantee delivery in the necessary timescale.

The Boards are not attracted by this proposition. They do not see it as a technically optimum solution and are concerned that such a short-term expedient would adversely affect the economic justification for any proposal to rebuild the western interconnector in the longer-term to give greater capacity and make its public presentation much more difficult. It would provide only a minimal gain in endurance terms, amounting to about 9 days extra endurance over a twelve month period. The CEGB feel strongly that £60 million could yield far greater endurance savings if spent in other areas, eg enhancing further the Board's ability to burn oil at coal-fired power stations.





CONSIDERATION OF OPTIONS FOR FURTHER INCREASING POWER STATION ENDURANCE

Short-Term

- (i) Any short-term action to improve flexibility to switch from coal to oil and gas, including the establishment of certain activities as "normal working".

The CEGB's oil burning capability was progressively enhanced during the 1984/85 dispute. Most of this capability was provided by the Board's main oil-fired power stations. These performed very well throughout the strike, in many cases exceeding their design specification in terms of power output, and will remain available to provide a major element of generation flexibility in any future dispute.

Further capability was created by the establishment of oil-burning facilities at selected coal-fired stations that were able to receive enough lighting-up oil to enable a significant power output to be obtained by burning oil. These stations accounted for some 20% of the Board's oil burn during the dispute. This was achieved by means of temporary engineering works undertaken in the course of the strike. The Board's first priority is to secure this capability for the future by establishing the facilities permanently and expanding them wherever possible. The objective is to achieve the ability to produce significant oil-fired output from as many coal-fired stations as possible. The precise generation capability achievable will vary significantly with the circumstances of individual stations eg 100% output on oil could be achieved at Thames-side stations that can be supplied by sea whereas for an inland power station with road borne deliveries 10 - 15% of normal output would be the likely limit.

A major engineering programme will be needed to fit the necessary permanent pipework, tankage and pumps etc to ensure an enhanced flow of oil to the burners. It will take place over the next three years as the work will need to be aligned with the Board's maintenance programme and in particular with major boiler outages which are planned on a three year cycle. Arrangements will also need to be made to ensure the delivery of the necessary quantities of lighting-up oil in any future dispute. For most inland stations this will have to be by rail and road. However, work is in hand to provide for deliveries by barge to Thorpe Marsh, Drax, High Marnham and Ferrybridge, with the oil being trans-shipped from the barge delivery point to the station by pipeline. These facilities are already operational at Ferrybridge and High Marnham and the possibilities of delivery by barge to other stations are under consideration. In order to widen the scope of "normal working" as much as possible the oil-burning capability of coal-fired, main oil-fired and dual-fired stations will be appraised and regularly demonstrated.

SECRET

This approach, designed to achieve as much oil-fired capability at coal-fired stations as is practicable, is seen as a more appropriate way to proceed than seeking to extend the number of dual-fired stations. The latter would require very expensive modifications to the boilers and major engineering works for oil supply and handling. It would also be quite impracticable for the major inland coal-fired power stations as these could never be adequately supplied with sufficient oil by road to justify the expenditure. Equally, while the supply of gas to the Hams Hall dual-fired coal/gas station will be maintained there is no scope for additional dual-firing using gas. Such conversions would be very expensive, requiring major modifications to render all the electrical equipment flameproof. There is also doubt about the availability of supplies as even Hams Hall can only be supplied on an interruptible basis and supplies to the station were indeed interrupted at times of peak gas demand in the winter period.

During the dispute the CEGB managed to utilise some expensive and inefficient small oil-fired plant that had been officially closed. Even though the decommissioning and demanning process was in hand it proved possible to bring the plant back into operation temporarily. This will not be the case in future as this plant will now be finally closed. However, the loss in capacity, some 363 MW is not significant for endurance and should soon be made good by the measures being taken to enhance oil-burning capability at the coal-fired stations.

(ii)

The need to monitor the likely availability of additional supplies of fuel oil in the light of movements in the international oil market.

The CEGB and the Department already monitor the fuel oil market continuously and will continue to do so. All the present indications are that the market will remain soft for some time. Prices have fallen significantly below the level reached during the miners' strike. Indeed with the changes in the exchange rate and the fall in the price of oil, fuel oil prices are now at a level not far above the point at which some increased oil burn would become economic.

During the strike the spot purchase of the bulk of the CEGB's main generation oil requirements proved highly efficient and their experience showed that there was truly a world market for the supply of heavy fuel oil. However, the position will need to be monitored carefully: in particular, refinery closures and the up-grading of simple refineries could reduce the availability of fuel oil in the future. Consideration is being given to increasing the oil unloading capacity, transfer facilities and storage for heavy fuel oil at Thames-side stations to ensure that oil-burn is not hazarded in a future dispute when conditions may not be as favourable as last time.



However, the CEGB see no case for a major increase in storage capacity. It would not be practicable to build enough tanks to carry a stock suitable to provide a significant period of endurance. The need is rather for sufficient tankage to provide a buffer store to enable the smooth transfer of oil from tankers through to the burners at the station. The Board are reviewing their position and may wish to hire some limited further capacity on a long-term basis.

- (iii) Any further action to expand stocking capacity at power stations, particularly in areas where deliveries are least likely to be possible during a strike.

Final decisions in this area will obviously depend on decisions on the long-term level of coal stocks at power stations.

The Board's present stocking capacity is sufficient for a stock of up to 32 mt, which would provide some twelve months' endurance without any coal deliveries. The present restocking target is some 23 mt by the end of October 1985. The Board's present intention is broadly to build up stocks at individual stations to give the same degree of endurance across the country. However, the position is kept under constant review and the system is flexible enough to allow a differential build up in areas considered to be more vulnerable if this was judged to be necessary.

If a decision is taken to move to higher stock targets after October a judgement will need to be taken on the likelihood of disruption in different areas and therefore on the pattern of stocks. For example, the Aire Valley stations might carry proportionately higher stocks than those in the Midlands. However, it would be wrong to over-compensate and thus leave other potentially vulnerable stations short of stocks if the dispute did not take the form initially expected. The main lesson to be learnt from the last dispute was that each situation needs to be dealt with in the light of the circumstances at the time: the key is to ensure a suitable general level of stocks and to take rapid action to conserve coal stocks at stations which are not receiving any supplies.

- (iv) The case for establishing the normality of carrying coal and lighting-up oil by road in certain circumstances, particularly in connection with the forthcoming quinquennial review of the BR-CEGB contract.

The CEGB have a 15-year agreement with BR running from 1 January 1976 covering the transport of coal to power stations. Under this the CEGB, except for emergencies and with limited exclusions, undertook to "forgo the use of road transport for coal supplies from rail-connected sources to rail-connected power stations".

SECRET

Under the terms of the agreement its operation is due to be reviewed in January 1986. As the CEGB were severely disadvantaged by BR's inability to move coal (and oil) during the miners' strike they will wish to obtain greater flexibility in the future.

The Board believes that it is essential that some road borne deliveries should be maintained in the future in order to establish them as "normal working". To this end they have been reviewing the legal position with regard to the statutory consents and planning permission for their stations and, in particular, any understandings reached with local authorities during the planning process. In the light of this, they will seek British Rail's agreement to change the present exclusive arrangement wherever possible. Their concern is that British Rail, while being prepared to lower their rates to a more commercial level, will not wish to move away from the exclusive transport of coal by rail. Legally, the agreement cannot be amended without the agreement of both parties.

The agreement is, of course, a commercial arrangement freely entered into by both parties. While it must be right to leave the two Boards to see if an acceptable revised agreement can be negotiated, it may be necessary for the Government to consider putting pressure on BR to accept the CEGB's proposals if this does not turn out to be the case, given the importance that the Board attaches to this point in terms of power station endurance.

The situation is less complex when considering the delivery of lighting-up oil to coal-fired power stations. In the past, deliveries, mainly from the major oil companies, were made by rail. However, during the strike industrial action by British Rail employees meant that no lighting-up oil was delivered by rail. The Board intend to give a part of the business in future to the smaller independent companies, which supplied significant quantities by road in a very flexible manner during the strike. They will deliver by road or by barge to the four stations where this is practicable. This should establish road and barge deliveries as a "normal working practice". The remainder will continue to be supplied by the major companies by rail. Thus, wherever practicable, each coal fired station will in future receive oil regularly from one large and one small oil supplier and by more than one mode of transport.

(v) Any further action to improve road access to power stations.

In general all the essential work was undertaken in the course of the strike, but further work to improve the security of access by road, eg by providing two different road access points if possible, is being undertaken during this summer. The one problem area is at Aberthaw in South Wales where road access to the station passes round a bend in a cutting under a railway bridge, thus forming a natural place for an ambush. The CEGB is considering the possibilities for improving access to road borne deliveries of coal to Aberthaw in future. It is the Board's intention to build a coal blending plant, manned by CEGB staff, on a site adjacent to the station. The access arrangements to this plant are



now being reconsidered to ensure that both road and rail borne supplies can be safely received in future. The coal would then be trans-shipped into the station by conveyor. However, it would take about three years before such a plant could be operational.

- (vi) The impact of current commercial arrangements between the NCB and the CEGB on the prospects for increased coal imports.

The present Joint Understanding between the NCB and the CEGB, which runs until November 1987, commits the CEGB to take 95% of its coal needs from the NCB. This sets a limit on the CEGB's freedom to import, although there are no restrictions on the CEGB's present restocking programme, which includes significant imports from the Rotterdam stockpile during the course of this financial year. However, once the restocking programme is complete the CEGB's annual coal needs will drop back to some 75 - 80 mt or so. Under the Joint Understanding some 71 - 7.6 mt would be provided by the NCB, leaving only 4 mt to cover purchases from non-vested sources and imports. On the assumption that the CEGB will wish to maintain a reasonable flow of non-vested supplies of between 2 and 3 mt this implies that the maximum scope for imports lies between 1 and 2 mt a year. The CEGB are under no formal Ministerial restriction on their freedom to import, but before the strike they had informed the Department that their intention was to limit imports to 1 mt a year +10% in line with the Joint Understand/. The CEGB will wish to review their commercial position with respect to NCB supplies and imports when the restocking programme is completed and the future structure of the coal industry and the likely longer-term cost differential between indigenous and imported coal is clearer.

Longer Term

- (i) The possible case for expanding the capacity of the Cross Channel Link with France currently under construction.

The first 1000 MW stage of the link is due to be commissioned by the end of October 1985, with the second stage following a year later. The link will have cost over £600 million, with the CEGB meeting about half of this, and have taken some 8 years to complete. We have reviewed with the CEGB the possible case for a further link, but the Board believe that it would be prudent to wait until some years' experience has been gained in the operation of the present link before consideration is given to planning a further link. There are also innovations in the design of the link that need to be proved in practice. This is also the strong view of EdF who have made it clear that they would not wish to consider the possibility of a further link until 1988 or 1989 at the earliest. This would imply that any new link would be unlikely to be commissioned until about 1996.

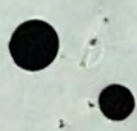
SECRET

Any second link is likely to be more expensive than the first as the most advantageous route for the crossing has already been used. The grid between the Kent coast and the Thames Estuary would also need to be reinforced at a cost to the CEGB of an additional £100 to 150 million. It is likely that some reinforcement of the French system would also be necessary adding to EdF's costs. It is unclear whether or not EdF would be prepared to consider a further link on the basis of two-way trading as their interest would be rather in the continuous export of power to the UK. Nevertheless, even if a crash programme was to be mounted and EdF could be persuaded to meet its share of the costs of a future link

it would still be 1993 at the earliest before this could be commissioned. In the circumstances we do not feel that this is an option to consider for the moment, although the situation should be reviewed in 2 or 3 years time.

- (ii) A longer-term review of the scope for further diversification in the means for generating electricity, by provision of additional nuclear capacity and in other ways.

The Department and the CEGB keep under constant review the strategic options for the generation system for the future. As well as considering existing technologies this also covers the possible role of alternative sources, eg wind power and tidal barrages etc, although these are not expected to be able to make a major contribution to the Board's ability to diversify away from coal. It is clear that the most sensible and economic way to lessen the present dependence on coal lies in a substantial nuclear programme. However, no decisions can be taken on the longer term until after a decision has been reached on the report of the Sizewell Inquiry and the position will need to be reviewed at this time.





File

SKW

- c 2/12

10 DOWNING STREET

From the Principal Private Secretary

18 July 1985

I spoke to you on the telephone ten days ago about the Prime Minister's letter of 13 June on the handling of cases affecting working miners who claim to be suffering intimidation as a result of going to work during the coal strike.

The Prime Minister has reverted to this matter. She has asked me to say that she does feel entitled to a reply explaining the Board's policy and arrangements for handling these cases and hopes that you will now be able to let her have such a reply in the near future.

Ian MacGregor, Esq.

ls

CONFIDENTIAL

Prime Minutes
Another good rise in stocks, productivity in output per manshift, at 2.6 in above 7% cent up on 1982-83.

WEEKLY COAL AND POWER STATION STATISTICS (1)

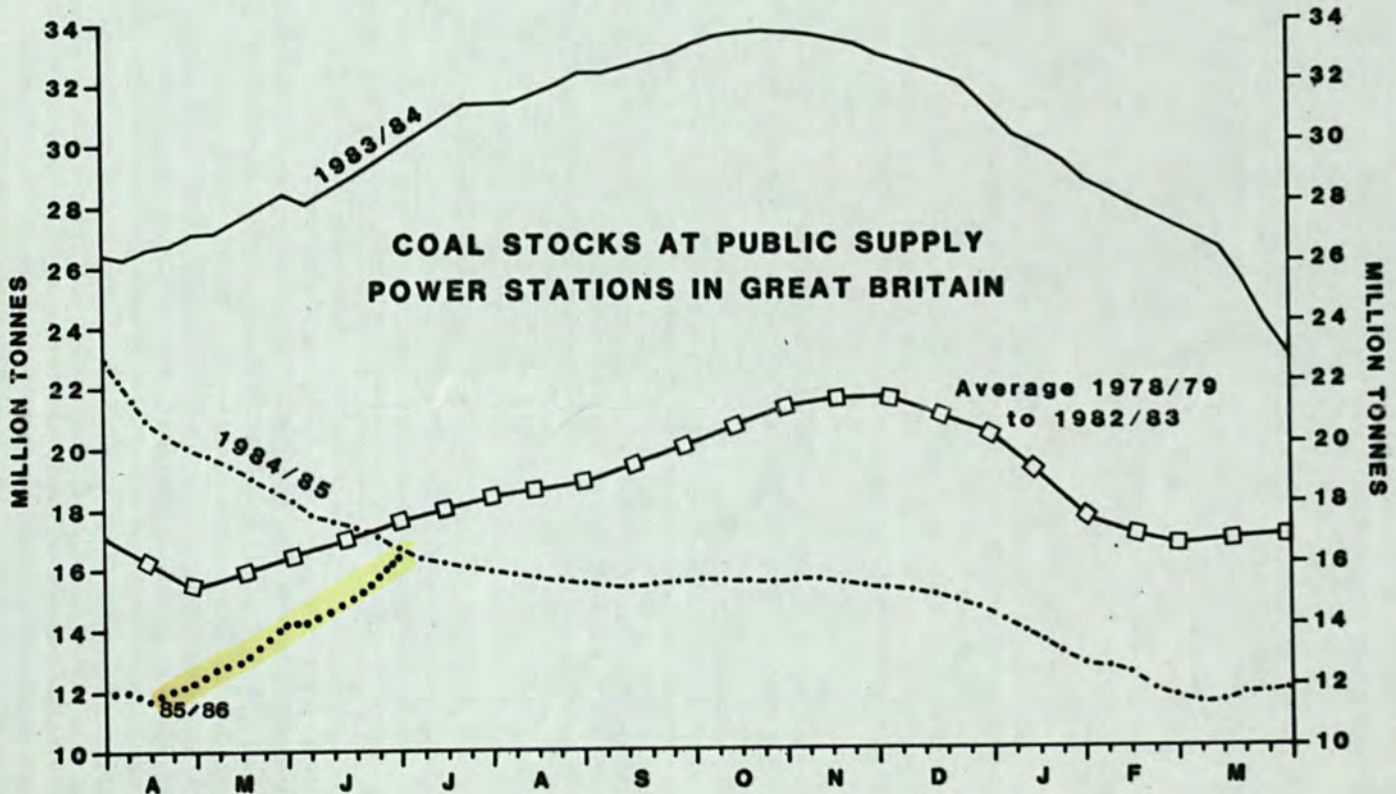
EcS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

Week ending 2.7.83 30.6.84 8.6.85 15.6.85 22.6.85 29.6.85

AT 15/7
mt

COAL	PRODUCTION								
	(m. tonnes)	deep mines+	2.03:	0.46:	1.66	1.81	1.88	1.82	
		opencast+	0.30:	0.33:	0.33	0.34	0.35	0.35	
	TOTAL		2.33:	0.78:	1.98	2.15	2.22	2.17	
COAL	PRODUCTIVITY(2)								
	(tonnes/manshift)	'overall'	2.48:	2.24:	2.47	2.54	2.64	2.61	
		'production'	10.48:	11.12:	10.99	11.09	11.35	11.73	
UNDISTRIBUTED STOCK									
(m. tonnes)	TOTAL		24.91:	22.38:	15.42	14.98	14.61	14.24	
POWER STATIONS	COAL STOCKS		(m. tonnes)	30.05:	16.71:	14.66	15.12	15.80	16.49
	COAL CONSUMPTION		"	1.31:	0.80:	1.46	1.51	1.40	1.36
	COAL RECEIPTS		"	1.84:	0.46:	1.87	1.97	2.09	2.05
	OIL STOCKS(3)		"	1.07:	1.14:	0.97	0.95	0.93	0.92
	OIL CONSUMPTION(3)		"	0.04:	0.38:	0.02	0.03	0.04	0.04
	OIL RECEIPTS(3)		"	0.06:	0.48:	0.03	0.01	0.02	0.02
	ELECTRICITY SUPPLIED (4)		(GWh)						
Nuclear		"	708:	640:	834	773	877	926	
Other Steam		"	3,069:	3,236:	3,386	3,518	3,335	3,234	
TOTAL		"	3,777:	3,876:	4,220	4,292	4,212	4,160	
TOTAL - temperature corrected		"	3,732:	3,806:	4,119	4,079	4,048	4,079	

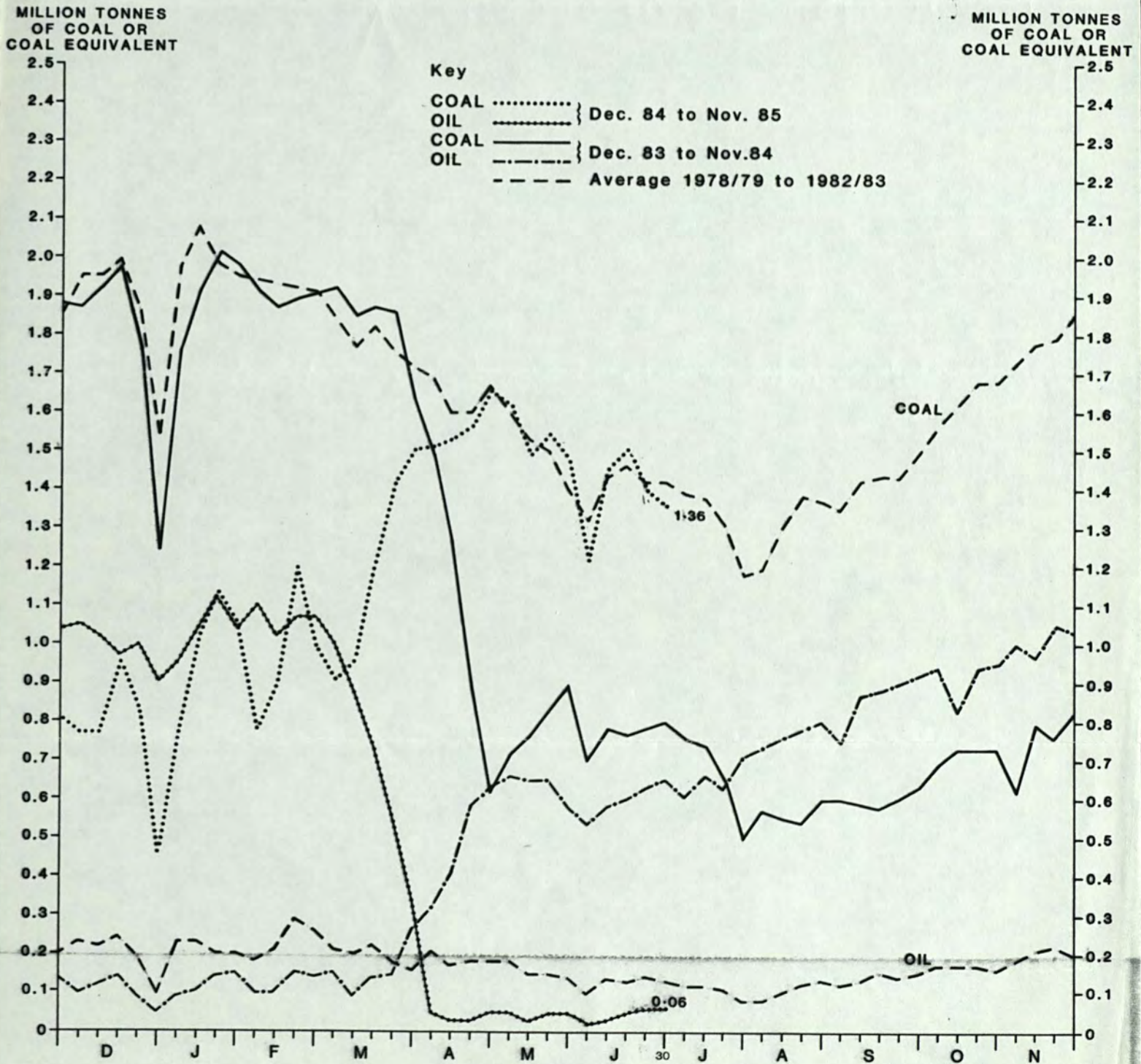
(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
 (2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
 + includes licensed production.



CONFIDENTIAL

CONFIDENTIAL

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



CONFIDENTIAL



1. Andrew Turnbull
2. P.A.

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

Mark Addison Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

15 July 1985

Dear Mark

You will recall that the Coalfield Communities Campaign recently approached the Prime Minister and a number of other Ministers with requests for meetings. As you know, it was agreed that my Secretary of State would meet a delegation from the Campaign on behalf of the Government. I enclose a copy of my note of the meeting.

Copies go to Andy Ridding (Scottish Office), Paul Skellon (Welsh Office) and Sue Vandervord (Department of the Environment).

Yours sincerely
Philip Evans

P R EVANS
Private Secretary



Handwritten text, possibly a signature or address, is visible in the center of the page. The text is faint and difficult to decipher, but appears to be written in a cursive or semi-cursive hand.



SOS/R 36/85

NOTE OF THE SECRETARY OF STATE'S MEETING WITH THE COALFIELD COMMUNITIES CAMPAIGN
8 JULY 1985

Also present: Minister of State, Welsh Office	Cllr Hedley Salt
(Mr Stradling Thomas)	Cllr Douglas Wynn
	Cllr Mona Shankland
PUSS Mr Hunt	Mr Selwyn Jones
Mr Buckley	Mr Albert Bleasby
Mr Granatt	Mr Mike Wedgeworth
Mr Seeney	Mr David Gladstone

Cllr Salt said that the overall objective of the Coalfield Communities Campaign was to maintain existing employment and to create new jobs in mining areas. The Campaign was not seeking to argue that uneconomic pits must stay open, but it felt strongly that an energy policy should be developed ensuring a long term future for a large coal industry. He said the Campaign was also concerned about the protection of the environment and about the prevention of social problems in declining mining communities. Cllr Wynn added that in Scotland there had been a substantial loss of jobs in mining over the past 18 months; he was concerned in particular about the position of miners who had been dismissed during the strike, and about the loss of coal markets in Scotland, including in electricity generation. Cllr Shankland commented that many Welsh mining communities were already significantly depressed and further job losses in mining would have a very bad effect on the general economy of the region.

2. The Secretary of State said he understood the anxieties of the members of the Coalfield Communities Campaign. The British mining industry, with high quality coal and its advanced technology and skills, had the potential to ensure that NCB coal played a key role in the energy economy of the UK and in Europe as a whole. The present Government had encouraged coal conversion in industry, but it was clear that market prospects continued to be damaged by threats of industrial action. It had also undertaken record investment in coal, but it was essential that investment took place in profitable pits which would ensure that the industry had a future.

3. Cllr Salt commented that the creation of NCB (Enterprise) Ltd was a move in the right direction, but he felt more should be done to provide training and assist young people who in the past would have expected to work in the mines. The Secretary of State said he hoped the Coalfield Communities Campaign would do all they could to publicise and encourage the work of NCB(E), which was an important development, particularly in the area of building up new opportunities for self-employment.

P.R. Evans.

P R EVANS
APS/Secretary of State
Rm 1237
Ext 7214
12 July 1985

cc PS/PUSS Mr Hunt
PS/PUS
Mr Manley
Mr Buckley
Ms Beaton
Mrs Brown
Mr Granatt
Mr Seeney

PS/Mr Stradling Thomas

Coal File

EMBARGO 13.00 Saturday 13 July

EXTRACT FROM THE SPEECH OF NEIL KINNOCK MP TO THE DURHAM MINERS GALA ON 13 JULY ~~1984~~ 1985

The Coal Board and the Government are insisting on, indeed they are ruthlessly imposing closures. As a result they are running up vast costs, they are making a loan to cover those costs, then they are charging over £400 million in interest charges to add to those costs.

And after all of that, to add insult to injury, they give everybody lectures on what is "economic" and what is "uneconomic"

They aren't talking about any economies that makes sense, they are trying to pull a three card trick.

The fact is, isn't it, that they aren't operating on any real economic plan they are operating a political plan.

It is to cut down, run down, close down whole areas of the coal mining industry and leave a residue of pits, primed and plump with public investment that can then be sold off as profitable going concerns.

That is the scheme. Everybody in Britain should know that. Everybody - and I mean everybody - on every coalfield - and I mean every coalfield - should understand it.

Every bromide and bribe offered in the coal mining industry now is geared to the objective of creating a shrunken industry of super pits that can then be sold off as job lots, one by one, group by group, division by division.

That is not a vague possibility. It is not an exaggeration. We don't have to exaggerate the future probabilities, we just have to examine the present reality and the past record.

Or is there anyone in the coal mining industry who thinks that the privatisation tide stops for some strange reason at British Telecom, or British Aerospace, or British Gas or Britoil or Amersham International or Cable and Wireless or The Royal Navy Dockyards or street cleaning or catering in the Health Service?

Can there be anyone so innocent? Can there be anyone so naive? Can there be anyone so short-sighted?

If there is they should wake up to the realities quickly.

The Thatcherite Tories are ideologically committed to selling any and every public asset.

And that nice, soft, wet, friendly Mr. Walker and his friends want all of the money they can get from the sales in order to have funds to pump up the economy a bit and try to buy a victory in the General Election.

The Tory Party is divided. They have different objective, different ambitions. But whatever their motives, wets and dries, skinflints and "spineless spenders" are all in favour of the Sale of the Century and they are all willing to polish up three or four dozen pits for the auctioneer.

That is their Plan For Coal.

We have got to get the power to stop it.

/Cont..

We have got to get the power to replace it with our programme for the development of the coal mining industry and the communities dependent upon it.

We are working to get that power and we are preparing for the use of that power.

As Stan Orme announced to the NUM Conference last week, we are inviting the NUM, NACODS and BACUM to join in discussions to prepare a new Plan For Coal for the coming Labour Government.

The details will be developed but I can tell you now that there will be basic principles which recognise coal as the fuel and the industrial feedstock of the future.

*Which emphasise production and investment instead of contraction and short term targets.

*Which establish a new financial structure for the industry and provide for earlier retirement with decent conditions.

*Which secure the coal industry in public ownership as a vital asset for the Whole nation.

We want to put those principles and the practical details into effect for the whole mining industry.

And if we are to do that we need to do it with the Whole mining industry, not some fractured and fragmented version of it.

That whole industry is threatened by the NCB, threatened by this Government, threatened with cutbacks and closure and losses of pits and jobs.

/Cont..

The danger affects everybody in this industry. Whichever coalfield they work in, whatever job they do, whichever union they belong to, everybody in the coal mining industry and the coal mining communities is menaced.

And the only people who can profit from divisions in the coal mining union are the very people who are threatening the coal mining industry.

I tell you what you already know.

First; the majority of miners know that they cannot afford any distractions from the business of defending jobs and communities in the coalfields. And the minority of miners know that there are serious risks in being outside the main organised body in an industry ruled by a powerful and arbitrary management.

Second; The task of keeping majority and minority together is supremely difficult. The bitterness goes deep into the bones. It is not a passing fury or a fit of temper. And because of that it is not easy to offer calm counsel. It must be almost impossible to listen to and just about superhuman to act upon.

But I have to offer it. Not as a pious sermon but as the lesson of history and the reality of today and of tomorrow.

For the coal mining industry the costs of permanent division are vastly in excess of the price of unity. That is the plain hard fact that must influence every decision now as it has in the past.

Many times in our history there have been turmoil and conflict. And despite that, common interest has eventually had to bring common action.

/Cont..

It did not come because any of the parties suddenly changed their beliefs or attitudes. Lions didn't suddenly become lambs or lambs lions.

It came because Leaders and rank and file know that the only way in which their organisations could meet their major obligation of defending and advancing the interests of workers was by unification.

That was the fact of life. That is that fact of life. The individuals come and go, the organisations and the needs that they represent stay. Party Leaders, union leaders are temporary and tenured. Only the people of the organisations that they lead, the ranks and file and the realities that they face are permanent.

I know that in my bones. And everyone in this industry - above all industries - knows that in their bones.

And that knowledge must be acted upon by everyone in the industry.

It is one of the most important ways in which everyone who says that they want Labour victory can contribute to Labour victory. And everyone involved knows that too.

There is something else that must be obvious to you and to everyone else.

There is not a Plan For Coal or anything else conceived, there is not a programme agreed, not an aim established or an objective set that is more than a dream, a fantasy, if we do not get political power won through democracy.

We can consult and contrive, we can seek expert advice, we can make costings and strategies as much as we like. But without

/Cont..

the democratic authority to put those schemes into effect we are wasting energies and abusing hopes.

I am not interested in planning castles in the air. I do not think that you are.

I do not want visions of perfection. I want realities of power. I think you do.

I do not want glorious historic defeats. There have been too many of those.

I will settle for plain, ordinary, everyday victories. I think that you feel the same.

None of that will come immediately with an election win.

But none of that will come at all without an election win.

That is the absolute fact. It is the absolute necessity.

And since we all know that, there is something else that we should know too.

It is that the winning is going to take some work.

It is going to take some organisation.

It is going to take some discipline.

It is going to take some sacrifice.

I call for that from this platform in Durham knowing that every word will be understood.

/Cont..

And when I ask for such sacrifice I do not ask you for anything remotely like the sacrifice which every family on the striking coalfields has endured this past year. Not sacrifice that is anything like as demanding and painful and punishing.

The sacrifice we need is in an altogether more comfortable league - so easy indeed that it hardly deserves the title 'sacrifice'.

What we need to do is to ensure that every word, every action, every attitude, every statement, everything that we do to educate, agitate and organise is geared completely to victory.

That doesn't mean keeping quiet about socialism.

It doesn't mean that we suffer injustice without protest.

It doesn't mean that we cancel ideas or hide away ideals.

It does mean that in everything we say and do we work in the clear knowledge that we address an audience which is hesitant. An audience which is in need of convincing. An audience which is looking for a message which shows that our idealism is not lunacy, our realism is not timidity, our eagerness is not extremism, our carefulness is not nervousness.

That is not hiding anything away. It is not disguising or deserting any policy or principle.

It is the opposite. It is making sure that our real ideas and our real policies are not covered up in a great blanket of distractions and delusions which our enemies will be glad to exaggerate and thicken until it smothers us in defeat.

- We can't afford that.

/Cont..

- The sick and the old can't afford it. The young and the unemployed can't afford it. Those who are poor can't afford it. Those who work for peace can't afford it.

- Our country can't afford that.

No-one - and I mean no-one at all, in the coal industry can afford that.

The price of such a defeat is too great, too savage.

The price of victory is so small.

It doesn't mean common silence, it means common sense.

Commonsense. In common cause. For common victory.

SECRET

BF

cc JW
For discussion at res.
Policy Unit meeting with
PM

17

②

PRIME MINISTER

12 July 1985

All this is dependent on getting the
management right first AT. 12/17

Speed us

COAL INDUSTRY STRUCTURE

We have argued that a "Plan for Coal" - in the sense of
ordained production targets, based on wishful thinking about
the market for coal - is an unsound basis for the industry.
What we need is a "Structure for Coal".

What differentiates the UK coal industry from our
vigorous profitable oil industry is not a lack of customers,
competitive sources of supply, skills, or - potentially -
access to private sector finance. The crucial difference lies
in the rigid, monolithic structure of the coal industry. The
NCB/NUM nexus locks in inefficiency, links the industry to the
taxpayer rather than the customers, and allows it to become a
political battlefield.

Restructuring the coal industry on business lines can't
be done in one gulp. Before getting into detail, it would be
worth considering the strategic choice. We see two broad
options:

- The first - bold but more risky - seeks to capitalise on
the defeat of the strike and the recent initiative of the
Nottinghamshire miners. It also need room in the 1986-87
Legislative Programme for a bill which would remove NCB's
monopoly control of all UK coal production and privatise
part of the of NCB in this Parliament.

SECRET

SECRET

- 2 -

- The second option aims, as it were, to "work with the grain", recognising that significant progress towards a restructured coal industry can be made ahead of such legislation. It is based on the judgment that the risks of presenting Scargill with a pretext for disruptive political action ahead of the next Election may be too great.

OPTION 1: EARLY LEGISLATION, ACTION IN 1986-87

This might involve three steps:

1. Transfer authority to license coalmining from the NCB to the Department of Energy. NCB cannot remain the regulator of the industry if there is to be commercial independence within it.
2. Privatise all NCB open-cast operations, by region, locality or site. Open-cast pre-tax profits were £210 million in 1983-84. NCB has given open-cast a low priority, so it might be increased to, say, £250 million, or £160 million net of tax. On a price/earnings multiple of 10, open-cast could realise £1.6 billion.
3. Arrange a management/employee buy-out of the Nottinghamshire coalfields, on attractive terms.

SECRET

SECRET

- 3 -

These steps might secure perhaps 40 mt pa of reliable output. The rump of the industry might be given the proceeds of the open-cast sale, on the understanding that no further calls for cash would be considered for a period. One would hope that other areas - such as North Derbyshire or Western - might wish to follow Nottinghamshire. The NCB would be under pressure to finance itself by floating off further companies, and selling its land holdings.

OPTION 2: "WORKING WITH THE GRAIN" - DELAYED LEGISLATION

This option builds on Ian MacGregor's intention to decentralise the NCB and encourage Area Managements to find new and more productive modes of operation through local initiatives. This would entail the following measures, some of which are already in train: *(It could also incorporate 1 or 2 of Option 1)*

1. Rapidly implementing the closure of uneconomic pits, matched by the rundown of manpower. The NCB are aiming to reduce deep-mined production capacity to 90 mt pa, but the market probably won't bear this, and NCB's plans should provide for further downward flexibility.
2. Underpinning the transition from the old structure to the new, with intensified efforts to regenerate private business enterprise in the old coalmining areas which have no future in the new scheme of things.

SECRET

SECRET

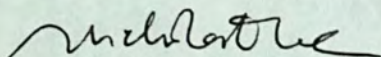
- 4 -

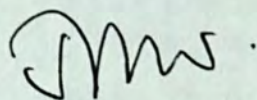
3. Radically decentralising NCB's deep-mining operations, establishing them as Regional Business Units. Without legislation, subsidiary companies cannot be formed, but this need not impede the rapid creation of their equivalent.

The Regional Business Units should be given authority to formulate their own business plans, compete for capital (on a commercial basis), conclude pay and productivity schemes appropriate to local circumstances, and develop and serve their own markets in competition with the other Units. Those regions with a moderate workforce should be encouraged to explore the potential, both for investors and mineworkers, of a new and substantially more efficient relationship between manpower (pay/productivity) capital investment and technology.

4. Lifting the CEGB's commitment to purchase 95% of its coal requirements from the NCB until 1987, thereby exposing the UK coal market to international competitive forces.

You may wish to consider which of these options you would like to see pursued.


NICHOLAS OWEN


JOHN WYBREW
SECRET

SECRET

cc JW

For discussion at next
Policy Unit meeting with
PM

BT

17

②
PRIME MINISTER

12 July 1985

All this is dependent on getting the
management right first AT.217

Speed up

COAL INDUSTRY STRUCTURE

We have argued that a "Plan for Coal" - in the sense of
ordained production targets, based on wishful thinking about
the market for coal - is an unsound basis for the industry.
What we need is a "Structure for Coal".

What differentiates the UK coal industry from our
vigorous profitable oil industry is not a lack of customers,
competitive sources of supply, skills, or - potentially -
access to private sector finance. The crucial difference lies
in the rigid, monolithic structure of the coal industry. The
NCB/NUM nexus locks in inefficiency, links the industry to the
taxpayer rather than the customers, and allows it to become a
political battlefield.

Restructuring the coal industry on business lines can't
be done in one gulp. Before getting into detail, it would be
worth considering the strategic choice. We see two broad
options:

- The first - bold but more risky - seeks to capitalise on
the defeat of the strike and the recent initiative of the
Nottinghamshire miners. It also need room in the 1986-87
Legislative Programme for a bill which would remove NCB's
monopoly control of all UK coal production and privatise
part of the of NCB in this Parliament.

SECRET

SECRET

- 2 -

- The second option aims, as it were, to "work with the grain", recognising that significant progress towards a restructured coal industry can be made ahead of such legislation. It is based on the judgment that the risks of presenting Scargill with a pretext for disruptive political action ahead of the next Election may be too great.

OPTION 1: EARLY LEGISLATION, ACTION IN 1986-87

This might involve three steps:

1. Transfer authority to license coalmining from the NCB to the Department of Energy. NCB cannot remain the regulator of the industry if there is to be commercial independence within it.
2. Privatise all NCB open-cast operations, by region, locality or site. Open-cast pre-tax profits were £210 million in 1983-84. NCB has given open-cast a low priority, so it might be increased to, say, £250 million, or £160 million net of tax. On a price/earnings multiple of 10, open-cast could realise £1.6 billion.
3. Arrange a management/employee buy-out of the Nottinghamshire coalfields, on attractive terms.

SECRET

SECRET

- 3 -

These steps might secure perhaps 40 mt pa of reliable output. The rump of the industry might be given the proceeds of the open-cast sale, on the understanding that no further calls for cash would be considered for a period. One would hope that other areas - such as North Derbyshire or Western - might wish to follow Nottinghamshire. The NCB would be under pressure to finance itself by floating off further companies, and selling its land holdings.

OPTION 2: "WORKING WITH THE GRAIN" - DELAYED LEGISLATION

This option builds on Ian MacGregor's intention to decentralise the NCB and encourage Area Managements to find new and more productive modes of operation through local initiatives. This would entail the following measures, some of which are already in train: *(It could also incorporate 1 or 2 of Option 1)*

1. Rapidly implementing the closure of uneconomic pits, matched by the rundown of manpower. The NCB are aiming to reduce deep-mined production capacity to 90 mt pa, but the market probably won't bear this, and NCB's plans should provide for further downward flexibility.
2. Underpinning the transition from the old structure to the new, with intensified efforts to regenerate private business enterprise in the old coalmining areas which have no future in the new scheme of things.

SECRET

SECRET

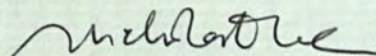
- 4 -

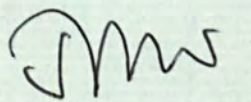
3. Radically decentralising NCB's deep-mining operations, establishing them as Regional Business Units. Without legislation, subsidiary companies cannot be formed, but this need not impede the rapid creation of their equivalent.

The Regional Business Units should be given authority to formulate their own business plans, compete for capital (on a commercial basis), conclude pay and productivity schemes appropriate to local circumstances, and develop and serve their own markets in competition with the other Units. Those regions with a moderate workforce should be encouraged to explore the potential, both for investors and mineworkers, of a new and substantially more efficient relationship between manpower (pay/productivity) capital investment and technology.

4. Lifting the CEGB's commitment to purchase 95% of its coal requirements from the NCB until 1987, thereby exposing the UK coal market to international competitive forces.

You may wish to consider which of these options you would like to see pursued.


NICHOLAS OWEN


JOHN WYBREW
SECRET

MR. TURNBULL

This records some points emerging from the Prime Minister's discussion with the Secretary of State for Energy on 10 July which I have not thought it right to put in a letter going outside this building:-

(a) Future of the Coal Board

The Prime Minister and Mr. Walker both felt that Mr. MacGregor's performance gave grounds for doubts whether it would be desirable to keep him for his full term. If he left prematurely, however, it would be essential to have a good pretext. There had been a rumour, received by Stephen Sherbourne from David Hart, that Mr. MacGregor had been approached about joining the Federal Reserve Board; but it would be wrong to put too much weight on this.

On possible successors, the Prime Minister seemed most warmly disposed to Bob Haslam or Mr. Morgan, Chairman of Dowty Engineering, who had left the NCB earlier because he was dissatisfied with the way it was managed. Mr. Walker wondered whether Haslam had too much on his hands already with Tate and Lyle (who are said to be facing some difficult decisions) and had heard comments that Morgan was sound but not inspiring: he was meeting Morgan next week. The Prime Minister wondered whether Haslam would make a good Chairman with Morgan as his deputy.

Mr. Walker also said that Sir Ken Couzens was considering accepting the post of Secretary to the Board (which would probably be upgraded to Head of

Administration) in place of Brandrick. The Prime Minister was much in favour of this.

(b) Notts. Area

The main part of this discussion is recorded in my letter to Department of Energy. Mr. Walker said he had some doubts about the strength of the Notts. legal position: the NUM lawyers would probably argue that their rules had been validly changed while the Notts. miners were participating, and the Notts. assets therefore belonged to the central NUM. The answer to this lay in the previous resolution of the Notts. area to split from the NUM if the rule changes were passed. But it was important for the Notts. area to retain the assets which include £4 million in cash and £28 million pension fund: if they had to start from scratch and recruit members, their position would be a good deal more difficult. The NCB were taking the attitude to the Notts. area that they were entitled by the 1946 Act to give recognition to a group which represented a significant element of the workforce: in the meantime they were willing to listen to and talk with the Notts. area as they were doing with the breakaway group in Durham. The aim should be to get Leicester, Warwickshire and South Derbyshire to join Notts. so that a significant proportion of coal production was covered by the breakaway group. Mr. Walker expressed his confidence in Mr. Wheeler as the Manager in Notts.

(c) Oil

Mr. Walker said he thought it likely that OPEC would reach an agreement when their meeting was renewed. He said that BP and Shell had reverted to their suggestions for "banking" the Government's royalties,

but he and the Prime Minister agreed that this continued to look unattractive.

(d) Selby

Mr. Walker said that the story given to the Conservative Backbench Energy Group that a militant, Mr. Ted Dyke, had become personnel manager at Selby had proved to be false: Mr. Ted Dyke was a moderate.

(e) Nuclear matters

Mr. Walker said that, if the Sizewell inquiry came out in favour of nuclear development, there would be a tussle between Lord Marshall who would want to link up with Westinghouse and GEC who would want to link up with the French in building PWRs. Mr. Walker also said that there were some, including Lord Weinstock, who were reverting to the idea of building AGRs rather than PWRs. The Prime Minister remarked that, if so, it would not have been necessary to have the Sizewell inquiry at all.

F.E.R.B.

(F.E.R. Butler)

11 July 1985

*Subject -
cc Ministry*

PERSONAL AND CONFIDENTIAL

hle

DCAASW



10 DOWNING STREET

From the Principal Private Secretary

11 July 1985

Your Secretary of State called on the Prime Minister yesterday for a discussion about various issues connected with the National Coal Board. I record the main points in this letter.

Your Secretary of State left with the Prime Minister a note about the current state of play on the breach between the Notts. area of the NUM and the national NUM. He said that the Notts. area were getting good legal advice and much would depend on whether the courts decided that the Notts. area were the rightful inheritors of the assets which they had possessed as a constituent part of the NUM. Both the union and the NCB management had now seen the disadvantages of the idea that there should be a "closed shop" in the Notts. area. The right posture for the Government was to avoid too warm a welcome for the breakaway body but to challenge the Opposition on their attitude to the NUM rule changes.

Your Secretary of State said that the NCB's treatment of the problem of intimidation of working miners was still unsatisfactory. The Chairman had not put Mr. Eaton in charge, as the Prime Minister had requested him to do in her letter of 13 June. It appeared that Mr. Northard was exercising a general supervision. The Prime Minister said that she would like to devise with the Secretary of State a strategy for the future of the Board before the Summer Recess: your Secretary of State said that he was discussing this matter with a number of people at present and would be ready to have a further discussion with the Prime Minister before the Recess.

The Prime Minister also discussed with your Secretary of State the request to her from Mr. Chris Butcher - "Silver Birch" - that she should meet him to discuss cases of intimidation of working miners. Your Secretary of State

PERSONAL AND CONFIDENTIAL

2/11
said that he was expecting a report about Mr. Butcher from the NCB in the next 24 hours and understood that this would show strong grounds for avoiding an association between members of the Government and Mr. Butcher. The Prime Minister said that she would not take any decision until she had seen this, but thought it difficult for the Government to refuse to receive details of intimidation. In the light of the report, she would discuss further with the Secretary of State whether there was some other way in which Mr. Butcher could be enabled to put his information to the Government.

FERB

Geoff Dart, Esq.,
Department of Energy.



NATIONAL UNION OF MINeworkERS (NOTTS AREA)

This note sets out the current state of play on the breach between the Notts Area of the National Union of Mineworkers under Mr Lynk and the national NUM.

BACKGROUND

2 The original constitution of the NUM was essentially a federation: members were basically members of area unions ("Constituent Associations"), and it was by virtue of that membership that they were members of the national union. Earlier this year the leaders of the NUM announced their intention to propose changes in the union's rule book which would, among other things, reverse this position: members would be basically members of the national union, which would allocate them to areas; in all cases of conflict, national rules and national decisions would prevail over the areas.

3 On 15 May 1985 the Notts Area of the NUM held a ballot of its members asking for support to opposition to the rule changes, even if that meant leaving the NUM. This proposal secured a majority of 73% of those who voted. The terms of the question are attached.

4 In the week beginning 1 July, the NUM held a Delegate Conference to consider a number of matters including the proposed new rule book. Discussion of the new rule book took place on 4 July. The Executive arranged the debate so that the initial vote took place on the adoption of the new rule book as a whole: amendments to the new rule book, if it was adopted, would be taken subsequently.

5 The delegates from the Notts Area took part in the discussion of the new rule book and voted against its adoption. When the vote went in favour of adoption, by the majority required under the NUM's rules, ^{all but one of} /them withdrew from subsequent proceedings.



6 On Saturday 6 July branch officials of the Notts Area decided by 228 votes to 20 to withdraw the Area from the national NUM, in accordance with the decision of the ballot of their members.

7 So far, other areas have shown no intention of withdrawing from the national NUM.

8 The Notts area accounted for some 21% of total NCB production in 1983-84.

LEGAL ISSUES

9 The Notts Area under Mr Lynk regards itself as the same body as the National Union of Mineworkers (Notts Area) under the old NUM rules: after an initial suggestion that the name of the organisation should be changed to "Nottinghamshire Union of Mineworkers", it has returned to the previous style of "NUM (Notts Area)". The Area argues that the decision of its members in the ballot prevented the Special Delegate Conference from imposing unacceptable changes in the NUM's rules on the Notts Area. Accordingly, the Notts Area regards itself as entitled to the assets of the NUM (Notts Area) under the old organisation of the NUM. These assets are believed to be worth some £2½ million (as at December 1983). The Area is also understood to maintain a pension scheme with assets of the order of £28 million vested in independent trustees. It also considers that the Area's members remain with the Area organisation, and that they have not become members of the NUM under the new rule book.

10 Mr Scargill has challenged these views: his case will presumably be deployed in the court action which he has just brought against the Notts Area under Mr Lynk. In essence, his argument will be that the Special Delegate Conference was validly constituted (this does not seem to be in dispute); and that the Notts Area delegates took part in its deliberations and were bound by its conclusions. It would follow from this that the new rule book applies automatically in Nottinghamshire; that members



of the Notts Area have become members of the national NUM and subject to the new rules; and that any conflict between the Area's old rule book and the new national rules must be resolved in favour of the national rules. It might follow that the new "NUM (Notts Area)" would be such organisation under such officers as were approved by the NUM National Executive, and that they would have the legal right to the assets of the Area.

11 The issues are complicated and confused; and there are few, if any, precedents. The NCB have emphasised to Mr Lynk the importance of securing the best legal advice; and we understand that he has retained leading counsel (Mr Lester). He will be receiving advice not only on the current court case, but more generally, so that the Notts Area can strengthen its legal position for other potential disputes with the NUM.

RECOGNITION OF THE NOTTS AREA

12 Under the Coal Industry Nationalisation Act 1946 NCB are, in effect, required to recognise organisations appearing to them to represent a substantial proportion of their workers, or of a class of their workers, for purposes such as pay negotiation. There is little doubt that the Notts Area under Mr Lynk will satisfy the requirements for recognition; and the NCB are already in discussion with Mr Lynk and his colleagues.

13 It will not be clear whether the NCB can withdraw recognition from the national NUM in Nottinghamshire for some time: much will depend on the proportion of mineworkers in the area who become members of the national NUM, and whether this proportion must be regarded as "substantial". For this reason, the NCB are taking a cautious attitude towards the possible recognition of small organisations such as the Colliery Trades and Allied Workers' Association, an organisation with rather more than 1,000 members, mainly in the North East.

CLOSED SHOP

14 Over the weekend, Mr Lynk suggested to the Chairman of the NCB that there could be advantage in declaring a "closed shop" in



Nottinghamshire in order to prevent obstructive tactics by mine-workers well-disposed to Mr Scargill. It is doubtful whether this suggestion would achieve its intended effect (it is at least as likely that Mr Scargill's supporters in Nottinghamshire would try to infiltrate the Area organisation as remain in the national NUM); it is uncertain whether the necessary majority (at least 80% of those entitled to vote) would support a closed shop in favour of the Notts Area organisation; even if they did, it would not authorise the NCB to dismiss mineworkers already in post who remained loyal to Mr Scargill; and a closed shop in Nottinghamshire could embarrass the Board (which has no de jure closed shop) elsewhere. It is not being pursued.

DEPARTMENT OF ENERGY

10 July 1985



"Do you support your Notts Area Executive Committee opposing the new national rule changes even if it means being expelled from the NUM or leaving the NUM".

10 July 1985

PRIME MINISTER

VICTIMISATION OF WORKING MINERS

When you see Mr Walker today, you may wish to ask him about various disturbing reports which suggest that there may be even more victimisation of working miners than had previously been suspected.

We attach an article from the Daily Telegraph, which gives a detailed account of intimidation in the Kent coalfield. The most disconcerting feature of the report is the suggestion that the NCB's transfer policy is proving ineffective; (see highlighted paragraph).

We also attach a report from the Conservative Backbench Energy Committee which records the evidence given to the Committee by representatives of the CTU and the National Working Miners. They alleged that:

1. NCB transfer arrangements are not working.
2. The Industrial Relations Officers employed by the NCB are former members of the NUM who support the strikers and disapprove of the working miners.
3. Selby is now in the hands of militants.
4. The intimidation of working miners now, will make them unwilling to work when the next strike comes.
5. Money given by the Government to the NUM (via Hobart House) for training is being abused.

Apparently, the Department of Energy do not believe that the picture given by CTU and NWM to the Backbench Committee was accurate: a refutation is said to be on the way. You may want to ask Mr Walker about this.

Oliver Letwin

Oliver Letwin

WORK-ON MINERS STILL FACE THREATS AND ASSAULT

By GERALD BARTLETT

MINERS who worked during the pit strike claim they are still being assaulted, intimidated and spat on in the street throughout the militant Kent coalfield.

Despite promises from senior Coal Board officials that victimisation would be stopped, wives and children of miners who worked at Kent's Betteshanger, Tilmanstone and Snowdown collieries still claim they are being abused.

Four months after the strike ended they are being jostled, stoned and cat-called in and around their homes, they say.

Houses being daubed with a combination of tar, creosote and flotation oil and windows being smashed at night by flying rocks are said to be commonplace in the mining communities in and around Dover and Deal.

Pet cats and dogs, it is claimed, are regularly wounded and maimed by bullies' heavy boots and working miners' vehicles are apparently sabotaged.

Screwdrivers are still apparently being rammed between the ribs of those who worked. Such incidents happen on the way up and down pit shafts in darkened cages.

Slums offered

Men offered transfers to pits away from their daily tormenters say that the Coal Board is offering them "appalling slums" to live in. Some claim that militants are threatening potential buyers of their Kent homes with daubing and broken windows so that they cannot be sold.

A young Tilmanstone miner said yesterday: "Transfer? ... it's a bloody joke when you can't sell your home here and all you have in prospect, by the Coal Board's own admission, is a pit slum up north."

"I can't prove it but I have had three potential buyers of my Deal house frightened off by nasties threatening to smash their windows and daub the house front if they buy a scab's property."

"A new and vicious" twist in the coalfield is the alleged use of schoolchildren to intimidate fellow pupils whose fathers were "scabs."

It is also claimed that "thugs" from the unemployment queues are being selected to abuse and cat-call working miners and their wives as they travel to and from their Kent homes.

An innovation is the breaking open and wrecking of working miners' lockers and soaking their clothes in strong bleach.

A working miner who asked not to be named said last night: "Life is a living hell in Kent for the men who worked during

the pit strike, their wives and children.

"The hate campaign against us is being carefully orchestrated by a handful of vicious miners." One man who held out against practically everything crumpled up when his kids started to be threatened with knives in the playground.

"Intimidation is rife and commonplace in this coalfield but it has come to a pretty pass when those responsible are even recruiting children and the unemployed to do their dirty work."

One of the saddest victims is Mrs Mary Smart, 56, who daily fears attacks on her husband, their Deal home and children and is taunted by neighbours.

She waits up until 2.30 a.m. every day in her Canute Road terraced home with two large walking sticks and a large bottle of bleach by her side.

Little prayer

Recently her husband Alec, 57, returned home from Betteshanger colliery where he loads trains and lorries at the tip, to find his home daubed in black oily sludge.

"It must have happened at about 5 a.m. and I was that angry that it all welled up here in my chest," said Mrs Smart, a grandmother and mother of three, last night.

"I felt so knotted up inside and angry that I had to come back in here to say a little prayer: basically 'If what we are doing is right please show us the way.'"

"To disperse the anger we decorated the daubings with pretty crepe flowers and it became quite a tourist attraction."

Mrs Smart, whose epileptic daughter, Lorna, has twice, she claims, been attacked and left unconscious in the street, regularly receives silent telephone calls and is abused and threatened daily.

"All this does hurt me a great deal," Mrs Smart said. "People round here that are taunting us as scabby b's and worse are lads we've seen grow up from babies these past 30 years."

Silent calls

Her husband whose brother, Stanley, has not spoken to him since the strike began said: "Nobody is going to chase us away from here. I started work at Betteshanger and that's where I'll finish."

Mrs Irene McGibbon, 39, who

frightening things to law-abiding people."

He said five of the nine were striking miners and no doubt inflamed by drink they became a mob.

He said what they did was made no worse or better by the fact that there was a miners' strike.

The nine are: RAYMOND PATTERSON, 24, of Stewart Street, Seaham; MARK ROCHSTER, 22, of Fox Street, Dawdon; KEVIN HUGHES, 20, of Mount Stewart Street, Seaham; JOHN LITTLE, 21, and his brother, BRIAN, 22, of Staverdale Street, Dawdon; STANLEY GREGORY, 22, of Staverdale Street; GARY KRISTENSON, 21, of Daphne Crescent, Seaham; GLEN BLACK, 22, of Dawdon Crescent, Seaham; IAN STEPHENSON, 18, of Helen Street, Dawdon.

led the Kent miners' back-to-work campaign, said at her home in Woolmer, near Deal: "Despite Michael Eaton's (the Coal Board spokesman) brave words to THE DAILY TELEGRAPH about stamping out intimidation way back in April, it still goes on unabated around here.

"The families of men who worked during the strike are still getting a rough ride at the hands of those who didn't. My family has to endure screams of filthy abuse every day; our home has been daubed with creosote many times and there are, of course, the silent phone calls.

"Every day without fail our family car is literally dripping with spittle as is the front of the house. Life is anything but pleasant but I will not be forced away from this part of Kent by these awful bullying yobbos.

"Day by day the conviction grows that this has all been Communist inspired and orchestrated and that this sort of intimidation will never stop until they are out-manoeuvred politically."

When Mrs McGibbon began the back-to-work campaign she and her husband, Robert, 48, a former car worker, knew that leaving his job at Betteshanger was a foregone conclusion.

Final nail

"We knew it was only a matter of time and when redundancies were offered we said 'yes'," said Mrs McGibbon. "I am very very relieved that Bob is now out of the coal industry."

Mrs McGibbon and the wives and families of tormented miners have decided to make a point of reporting every incident of house-daubing, smashed windows, threats and abuse to the police from now on.

"I know the police have got a very difficult job to do but we have got to hit back somehow," said Mrs McGibbon.

At Mill Hill, on the outskirts of Deal, Mr Christopher Woodcock, 36, a Betteshanger coal-face worker for the past five years, has finally given in to the tormentors.

"Life has just become absolutely intolerable and I can't take another second of it," said Mr Woodcock, who has had two ribs and a hand broken by mining bullyboys."

Home sold

"I have sold my home here, a former council terraced house, for £21,000 despite the blue and yellow paint daubed all over it and we are moving north."

"I can't tell you where it is but I will not spend every waking moment wondering whether my wife and children are being up or not.

"They are threatened and abused in the streets. They are spat at and children who go to the same school as mine threaten them with pen-knives because of my pit strike stand.

A 24-year-old underground labourer at Tilmanstone Colliery who asked not to be named for fear of reprisals, said: "My wife and I have had to take almost constant abuse and daily death threats because I worked during the pit strike.

"It's so bad that I can't take my wife into Deal to shop. We have to drive 15 miles to Ramsgate to avoid leering bullyboys and screaming harridans.

"I hope they close down the pits in this dreadful place. That's precisely what all these nasties deserve."

Mr George McAlpine, 55, general manager of the Kent coalfield, said last night: "I firmly believe that intimidation and harassment are receding in this area.

"But if anyone has a genuine on-going feeling that they are not getting a fair crack of the whip — and I mean a genuine feeling — then I would like them to write to me so that I can meet them and deal with the problem."

"We have had nothing reported to us at all for the month of July. I will certainly be looking at allegations that my officials are telling people not to report incidents of intimidation, but I would make no comment on that suggestion at the present time."



COUNCIL REVIEWS SECURITY

By KEITH NURSE
Arts Correspondent

THE British Council has undertaken a £400,000 review of security after the murder of two of its staff by unidentified terrorists in Athens last year.

The new arrangement, disclosed in the council's annual report published yesterday, included heavy expenditure on shatterproof glass, new doors, bag-scanning devices, search staff and, in some cases, structural alterations to premises to reduce points of access.

The costs for the year were £400,000 with an open ended commitment of £250,000 for future years. The council, which has 81 offices and 133 libraries abroad, has sought to keep its premises open to the public and at the same time reduce the risks.

'Saving' requested

One shadowy group indicated last year that the council was a target because it was exporting British "cultural imperialism."

The council has formally asked the Foreign Office for the £1,100,000 "saving" imposed this year as part of government attempts to reduce public expenditure, to be refunded.

Sir John Burgh, director-general, introducing the annual report at a Press conference in London, said:

"The British Council plays a crucial part in trying to promote Britain overseas, to enhance our national reputation at times when it is quite badly damaged by incidents such as the football riots in Brussels.

"Because of this need we have asked the Government for a small increase in our grant in real terms over the next three years."

Britain was at the bottom of the cultural promotions league far behind France, which spent four times more than Britain in this area, Germany, the United States and Japan.

The British Council annual report: 1984/85. The British Council, 10 Spring Gardens, London SW1A 2BN. Price £2.50.

PIT TO CLOSE

Treforgan Colliery near Neath, West Glamorgan, is to close with the loss of more than 200 jobs, the Coal Board announced yesterday. It is the third pit closure announced in South Wales since the end of the miners' strike.

Leg ha

A LEA
Sta
caused t
April an

STR 'TI CALL

By MAUI
Indus
JOURNAL
TIMES,
the related
and a
technol
76 yester
a threat to

a.m. tod
But ne
NUJ m
that there
with m
talks are

Two
The two
offices of A
company's
ing new c
Later a c
rejected in
ing a 3 1/2
ing. Voting

The com
per cent.
round plus
cent. for
with new
The unio
duction of
must initia
"research
operation. I
compulsory
practice ar
must be re
months.

Es
Also tied
issue is a p
scheme unc
employees
extra £200
five and 10

Problems
ment are f
by a copyr
union says
part of Mr
News Inte
wants too f
journalists'

27th June 1985

Chairman: John Hannam

13 Members present

Speakers: Mr Tom Peet and Mr Ron Catherill, Conservative Trade Unionists and Mr Tony Ellis, National Working Miners Committee

Mr Catherill began by outlining the current situation in the coal industry. Many miners were still suffering harassment and physical intimidation although the number of cases was slowly decreasing. However, a considerable problem remained: those miners who had returned to work before the end of the strike, because they have been subject to intimidation were more likely to take voluntary redundancy or make a voluntary move. Thus they could not apply for NCB grants to assist their transfer. Miners who remained on strike were less likely to seek voluntary moves and consequently, when they transfer to another colliery they receive, from the Coal Board, healthy contributions to cover expenses incurred.

Payments, he said, could amount to £2,000 over a 2 year period and this figure did not include substantial house sale grants. Former working miners, he added, have found it impossible to sell their property - 'scab houses' as they are known - and consequently very often suffer severe financial hardship, remaining unaided by the Board.

The Board, though, was not entirely at fault. Matters concerning redundancy and transfer were dealt with by the Industrial Relations Officers in each colliery. Most of these Board employees were former members of the NUM and generally in favour of the strike. There was plenty of evidence to suggest that these IRO's were extremely unsympathetic to the plight of former working miners and more willing to offer generous transfer payments to militants.

Mr Catherill gave an example of this in practice. On June 6th the manager of the former moderate pit at Selby advertised fifty vacancies. Four hundred former working miners applied for transfer but were rejected, out of hand, by Mr Ted Dyke, a well-known figure of the Left and a former NUM official, now Industrial Relations Officer at Selby. Then, on the following day, he filled the vacancies with forty-five militant strikers from other pits.

He then gave an example of how some NUM branches indulged in flagrant violation of union procedural rules. One branch elected its militant conference delegate using an electorate of only eleven and then gave him an additional mandate to give unanimous support, at next week's special conference, to the

proposed rule changes. This mandate was added only after the election with the bulk of the branch members having no knowledge of it. The branch then announced that their candidate enjoyed 'a clear mandate' although only eleven members had actually voted in his election.

Mr Ellis began by saying that, in organising the National Working Miners Committee, he and his colleagues had acted to make, not break the Union. They wanted to destroy Arthur Scargill but to this end they were getting little help. The major barrier to a moderate NUM was the presence of left wing Industrial Relations Officers. Most were former NUM officials and militant activists. Mr Kevin Hunt, the head of the Industrial Relations Officers was himself a former branch official.

When Arthur Scargill first advocated the rule changes it looked very much as though they would not meet with the recommendation of the delegate conference. However, the NCB had succeeded in undermining their own advantage: South Wales, which had previously denounced the proposed changes, now looked as though it would support them after the ill-timed announcement of the sacking of the miner acquitted in this month's murder trial; in Northumberland, the Board had announced the closure of Bates colliery only days before the delegate conference. Such ineptitude, he felt, merely gave Arthur Scargill the ammunition he needed.

He reiterated Mr Catherill's remarks that Selby has now been lost to the militants which he said would represent a severe handicap during the next strike when it happened.

The Government has been doing much for the NWMC since the strike and the Prime Minister has taken a personal interest in the plight of former working miners and their transfer. However, he suggested that all this has happened too late and the militants have wrested the initiative from the moderates through better organisation and the insidious use of an underhand industrial relations strategy.

This October, he had heard, would see the start of another, better organised and more militant assault on the industry and the Government. Because of the indifferent treatment they had received and the intimidation meted out to them, former working miners would not be willing to break the strike for a second time. He could not see how the NUM might be undermined this time.

Mr Catherill interjected that he thought there was a left-wing 'cancer' in Hobart House, particularly in the Industrial Relations department which handicapped any moves towards moderation in the industry. It had to be rooted out and exposed. Members of Parliament, he implored, had to take a lead on this subject.

Andrew Mackay said that it seemed to him the Government had initiated the systematic transfer of former working miners but, from what he had just heard, the action had been left half done.

Mr Catherill said that it was the militants who were manipulating for their own ends, any attempts at industrial reconciliation. Very soon, he warned, Selby would no longer be a Conservative seat.

Mr Ellis returned to the impregnable position of the Industrial Relations Officers who were the real cause of the spread of militancy. He had heard of cases where obviously violent militants, convicted of physical assault, had been reinstated at the behest of IRO's and of cases where miners were subject to repeated beatings and attacks on their homes but the culprits went unpunished.

Spencer Batiste praised Ron Catherill for his personal courage - he has had many personal threats to his life. The implications for the industry and the country are very great and it looks as though the NCB has ignored the strategic importance of ensuring the existence of moderate bastions which will continue production throughout a strike. The militant organisation has undermined any hope of success.

Good progress had been made and the Ministers in the Department of Energy had kept up unremitting pressure on the Board to ensure all miners were protected. However, the vexed question of pit transfers has gone a long way towards thwarting further progress. The Board has shown a diminishing interest in the plight of victimised miners which highlighted the extent of NUM sympathy within the NCB.

The NUM rule changes were of fundamental importance. They offer a threat to union democracy and promise to concentrate all power in the hands of Scargill and the National Executive. Militants from Yorkshire will have access to Nottinghamshire branch funds and all moderate areas will effectively be stripped of their existing autonomy. Scargill has plugged all the holes in the union rulebook which had served to undermine his position during the strike.

Mr Catherill lamented the fact that Mr Michael Eaton does not assume his position as head of Industrial Relations until October 1st: by this time Scargill and the militants will have achieved everything they have set out to do. There is some doubt whether this process could, by then, be reversed.

Mr Ellis mentioned that in his capacity as Head of Manpower for North Yorkshire Ted Dyke was able to threaten moderate miners and former working miners with dismissal. He gave one example of an intransigent moderate whom Mr Dyke transferred to Glasshoughton, which is due to close early next year.

Michael Portillo asked how many miners had been transferred from the Yorkshire pits to other areas and what was the morale of former working miners.

Mr Ellis said that morale was low because it was so obvious the militants were regaining the upper hand. In the Selby colliery the NUM branch has just held its annual elections and has elected a group of Left wing militants including one who had been at the colliery for less than 24 hours after being transferred.

He mentioned Lea Hall in Staffordshire, hitherto a moderate and profitable pit, which has now been inundated with transferred militants and has just elected a group of militant branch officials.

Tony Speller asked up to what managerial level in the NCB had sympathy for the NUM permeated.

Mr Ellis said that the head of the Industrial Relations Office was a former NUM militant as were many NCB branch officials. He suggested that Mr Trevor Birmingham and Mr Michael Spanton in Hobart House itself were also active NUM supporters.

Mr Peet reiterated that the biggest threat came from the Industrial Relations Officers at colliery level. Once selected by the NCB (who nearly always choose former NUM officials) they are trained for twelve months and then return to work, fully versed in Left-orientated industrial relations.

Sir John Osborn felt that the Conservatives must take some sort of initiative with the NUM and the Coal Board. He asked what sort of positive contribution Members could make.

Mr Ellis asked that the Government should stop providing funds to the NUM (through Hobart House) for training. The money is given directly to the unions and it is the union that decides which of its members go forward for industrial training. The dangers inherent in this system are all too obvious.

The solution must be to ensure all union officials spend some time actually working underground. At the moment, officials often work for no more than half a day and spend that time planning their strategy of disruption. This is a ridiculous state of affairs, especially in areas where miners are still the victims of cowardly attacks and the police seem powerless to prevent them.

John Hannam wound up the meeting by reading from a Yorkshire NUM circular advertising places - for militants and those who participated in the strike - to attend the Moscow Trade Union School. All applicants must be articulate and ideologically committed in order to be successful, he read.

This had been a sad meeting, he thought, and believed that the peace was still to be won. To this end he implored Mr Catherill and Mr Ellis to maintain regular contact with Members in order that what we had heard could be publicised and the threat averted. The battle was still to be won and the forces of the organised Left were regrouping for an even greater militant assault.

Christopher Guyver
28th June 1985



10 DOWNING STREET

MR BUTLER

Could you, please, give this
to the PM at — or before —
the meeting with Mr Walker?
We received the backbench
Cmttee. minutes late, and have
only now woken up to their
significance.

Clive Lint.

10.7.85

PRIME MINISTER

MEETING WITH MR. WALKER

There are two subjects on the Agenda - Nottinghamshire miners and Mr Butcher's request for a meeting.

Nottinghamshire Miners

You will want to hear a report from Mr Walker on the latest position. He should, in turn, have heard from Mr MacGregor about the discussions NCB had with the Notts representatives. It is important to establish what the Notts miners are trying to achieve

- are they seeking to represent and negotiate for Notts miners alone?
- are they seeking to become a rival national union?
- are they aiming to become a hybrid representing Notts but allowing other groups of dissatisfied miners to affiliate?

You will want to know how far Notts miners have got in seceding from the NUM. Oliver's note (Flag A) points out that there are a number of legal difficulties. For example, have the Notts miners gone through all the necessary steps to secede. To whom do the assets of the old Notts area belong?

You will want to discuss the attitude of the Government and NCB. There seems to be no problem about recognising the right of the Notts Union to represent men in their area, though there may well be difficulties about recognising other groups of disaffected miners, eg. one in the north east, who represent only a minority of men in the area concerned. Oliver suggests the Government does not welcome the new union too effusively; I think the Government does have to make it clear that it supports the new union. ~~The~~ attitude to other breakaway groups is more difficult to determine at this

stage.

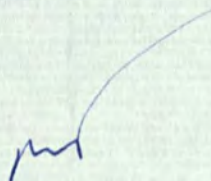
Finally you could discuss with Mr Walker how best to discomfort the opposition on this issue. Mr Kinnock is addressing the Durham Miners Gala on Saturday and at your Questions on Thursday or in a press release from Mr Walker he could be challenged to state clearly whether he supports the NUM and all it stands for, or the Notts miners and all they stand for.

Mr Butcher's Request for a meeting

Mr Walker has strong reservations about your seeing Mr Butcher. His reasons are set out at Flag B. You feel that you cannot refuse to see someone who, even though there are doubts about how much he achieved, and even about how he achieved it, was prepared to put his head above the parapet when the going was extremely tough.

I have told Mr Walker of your view. If, having heard Mr Walker's side of the case, you decide to see Mr Butcher, you should consider how this can be done to minimise any adverse repercussions.

AT



ANDREW TURNBULL

9 July 1985

CONFIDENTIAL

(A)

PRIME MINISTER

9 July 1985

NOTTINGHAMSHIRE MINERS

Information on the status of the Nottinghamshire Miners' Union is still scarce in Whitehall. Nobody yet seems to be sure of the legal ground, and the uncertainties may remain until various points have been settled in the courts.

At present, the best guess seems to be that:

1. If the Nottinghamshire miners have seceded in accordance with their own rules - regardless of the NUM national rulebook - then the new body will probably constitute a legitimate union, which could expect to be listed by the Certification Officer without any need to dissolve itself or to re-recruit its members. It is not yet clear whether the Nottinghamshire miners have followed their own rules. Indeed, it is not clear whether they have yet officially seceded.
2. The NCB can continue to make deductions from miners' wages and can continue to pay these to the Nottinghamshire Area, so long as the authorisations signed by individual members give the Board authority to make payments to "the area" or "my union" rather than, explicitly, to the national NUM.

CONFIDENTIAL

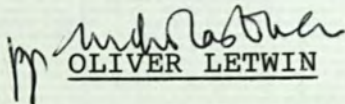
CONFIDENTIAL

3. The NCB has no formal 'closed shop' agreement with the NUM. But the 1946 Coal Act gives the NCB a duty to negotiate with any body that represents a "substantial" group of miners in any area; it may therefore be necessary to negotiate with the NUM as well as the new union in respect of Nottinghamshire, if a "substantial" number of Nottinghamshire miners remain in the NUM. The meaning of the term "substantial" may also have to be tested in court.

4. The new Nottinghamshire union would not have any lien on the national political fund. If it wished to set up a political fund of its own, it would need to hold a ballot.

5. The Nottinghamshire area will probably be able to retain its funds and other assets; but there will certainly be a court case about this.

It is clearly necessary to accumulate more information before making any decisions. In any case, it would be counter-productive for the Government to be seen as an active, supportive participant. The NCB, for their part, ought not to be effusively welcoming to the new union. It would hinder the new union to be seen as management favourites.


OLIVER LETWIN

CONFIDENTIAL

WEEKLY COAL AND POWER STATION STATISTICS (1)

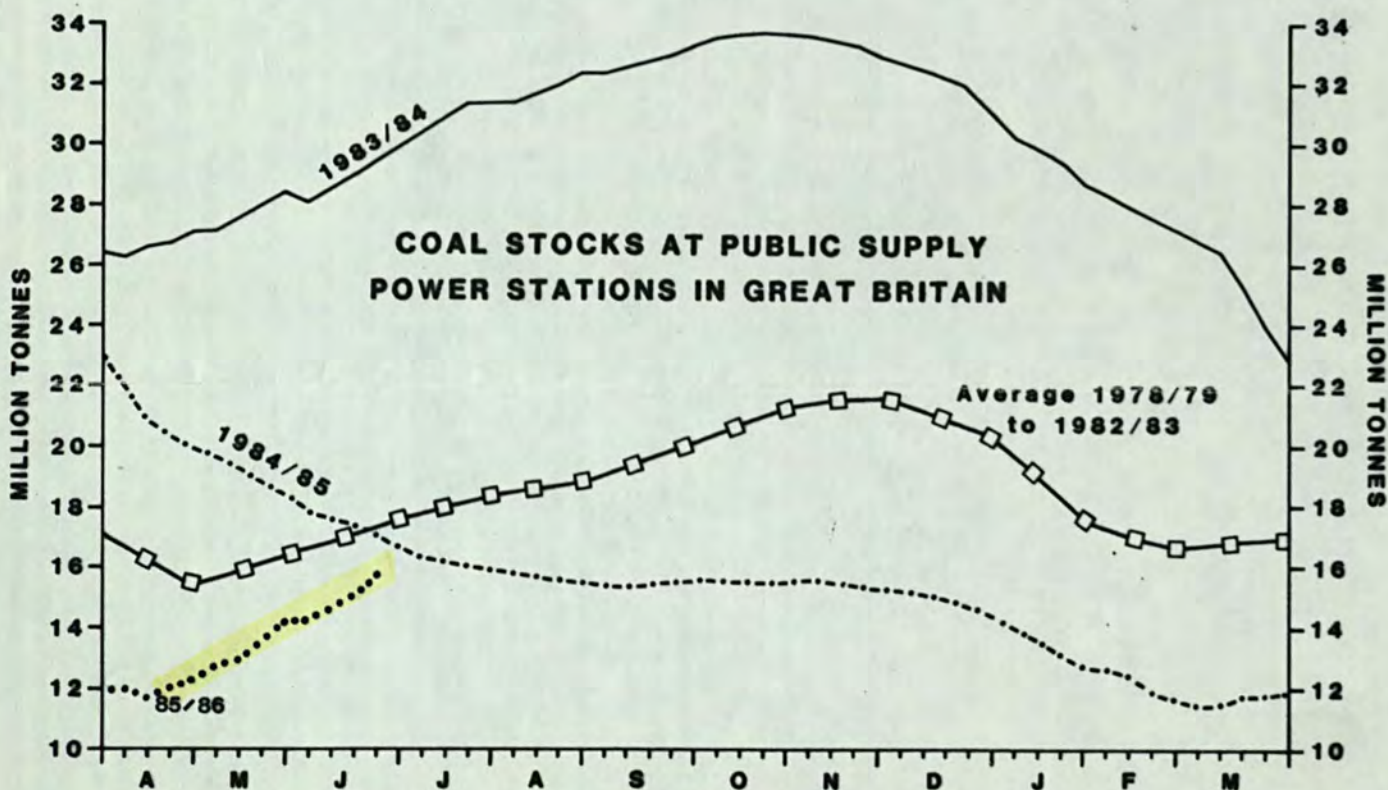
5 July 1985

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

Week ending 25.6.83 23.6.84 1.6.85 (5) 8.6.85 15.6.85 22.6.85

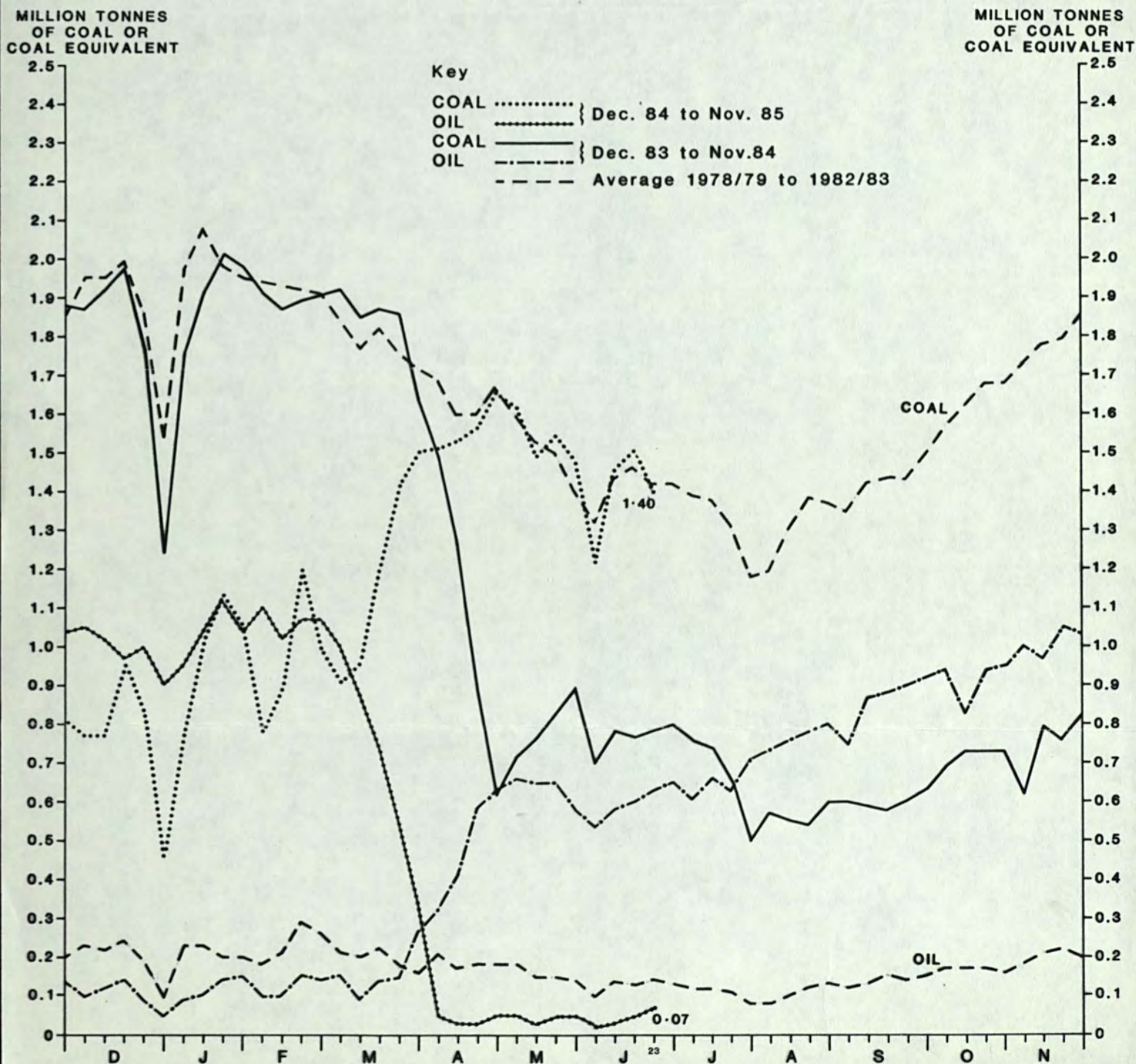
COAL			25.6.83	23.6.84	1.6.85	8.6.85	15.6.85	22.6.85
PRODUCTION (m. tonnes)	deep mines+		2.14:	0.47:	0.63	1.66	1.81	1.88
	opencast+		0.30:	0.29:	0.28	0.33	0.34	0.35
TOTAL			2.43:	0.76:	0.91	1.98	2.15	2.22
PRODUCTIVITY(2) (tonnes/manshift)	'overall'		2.56:	2.29:	1.95	2.47	2.54	2.64
	'production'		10.72:	10.85:	10.31	10.99	11.09	11.35
UNDISTRIBUTED STOCK (m. tonnes)		TOTAL	25.07:	22.36:	15.68	15.42	14.98	14.61
COAL STOCKS (m. tonnes)			29.52:	17.05:	14.25	14.66	15.12	15.80
COAL CONSUMPTION		"	1.30:	0.78:	1.22	1.46	1.51	1.40
COAL RECEIPTS		"	1.84:	0.47:	1.24	1.87	1.98	2.09
OIL STOCKS(3)		"	1.05:	1.04:	0.97	0.97	0.95	0.93
OIL CONSUMPTION(3)		"	0.04:	0.37:	0.01	0.02	0.03	0.04
OIL RECEIPTS(3)		"	0.10:	0.44:	-	0.03	0.01	0.02
ELECTRICITY SUPPLIED (4) (GWh)								
Nuclear		"	690:	709:	838	834	773	877
Other Steam		"	3,080:	3,184:	2,723	3,386	3,518	3,335
TOTAL		"	3,770:	3,893:	3,562	4,220	4,292	4,212
TOTAL - temperature corrected		"	3,782:	3,969:	3,572	4,119	4,079	4,048

- (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.
- (5) Includes Spring Bank Holiday.
- + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL



10 DOWNING STREET

From the Principal Private Secretary

4 July 1985

I mentioned to you on the telephone that the enclosed paragraph in the diary of today's Daily Telegraph had caught the Prime Minister's eye. The Prime Minister asked me to draw this to your attention and to find out from you whether there is any truth in it.

I also record in this letter that I telephoned Mr. MacGregor this evening and reminded him that a reply to the Prime Minister's letter of 13 June was outstanding. Mr. MacGregor said at first that he was "contemplating" whether to reply though at a subsequent stage of the conversation said that he would reply. This was accompanied by a series of bitter comments on the difficulty which he and his Board had on defending the working miners when their actions in dismissing people responsible for intimidation were overturned by industrial tribunals and were criticised in the House of Commons. I pointed out to him that, in asking the Board to make effective arrangements to look after working miners, the Prime Minister and the Board were entirely on the same side.

F22B

Geoff Dart, Esq.,
Department of Energy.

DAILY TELEGRAPH DIARY EXTRACT: 4 JULY 1985

Black mischief

WORKING MINERS in Kent who resigned from the NUM in disgust over the strike are now being told by the Coal Board that if they want transfers to less hostile areas they will be expected to rejoin the union.

About 160 miners in Kent, traditionally one of the most militant coalfields, defied the strike, and since then have suffered constant abuse as "scabs," have been assaulted underground and had their cars and homes daubed with graffiti.

Sickened by the intimidation many of them have sought transfers to a pit in south Derbyshire which worked throughout the strike. The Coal Board is officially sticking to its policy that it is not a condition of employment to belong to the NUM but has, I understand, unofficially put pressure on applicants to rejoin.

Behind the scenes the Coal Board is anxious to mend fences with the union. Stabbed in the back by their employers who pleaded for every bit of support in the dark days of the strike, most working miners in Kent have now opted for a quiet life, either agreeing to rejoin or accepting voluntary redundancy.



Re-5

10 DOWNING STREET

From the Private Secretary

2 July 1985

The meeting to discuss Endurance
has been postponed from Tuesday 16 July
to Wednesday 24 July at 1500 at No.10.

Caroline Ryder

B. Unwin, Esq.,
Cabinet Office.



10 DOWNING STREET

~~FERB~~

Mr Butler's previous request for a meeting was dealt with by phone. I did not offer the point (vi) suggested by PM and so do not think we have made any promises of a meeting, though the arguments against have largely fallen away.

AT

27/11

~~AT~~

Let us get J/Energy's advice, but say that, having put off Mr. Butler during the strike, the PM may well feel that she should see him now.

FERB



10 DOWNING STREET

 SRWAE 15
 file
 bcc Oliver Letwin
 subject files on
 ind. Rel. Industrial Relations
 Pt 12

From the Private Secretary

27 June 1985

NUM RULE BOOK: INDUSTRIAL RELATIONS REFORM

The Prime Minister held a meeting today to discuss the NUM rule book and the next steps in industrial relations. Present were the Secretaries of State for Energy, Trade and Industry and Employment and the Solicitor General. Mr. Letwin was also present.

The Secretary of State for Energy said it was still not clear whether the proposed new rule book would be adopted by the NUM. The decision could go either way or the issue could be deferred for further discussions. The outcome might depend on whether the Notts miners attended the meeting and whether they were allowed to vote freely. The NUM leadership would use all manner of procedural devices to secure its objectives. Summing up this part of the discussion, the Prime Minister said that if the rule book were adopted, the Government should immediately draw attention to the rights of union members which were being taken away. Subsequently, measures should be introduced to restore those rights.

The discussion then turned to the question of whether the Government should set out model rules to which union rule books should conform if immunities were to be retained. The Secretary of State for Employment had set out what such rules might look like in the annex to his minute of 21 June. In his minute, he had advised against following this course, preferring to continue the existing approach of identifying specific abuses and then extending the network of statutory duties, rights, protections and remedies to counter them. It was better to put weapons in the hands of individual union members than for the Government to specify all aspects of behaviour to which unions must conform. One drawback of the model rule approach was that if a union was deprived of immunity as a result of shortcomings in its rule book, no incentive would remain for it to comply with any existing requirement for which the sanction was loss of immunity. He had also considered whether model rules could be set out, not with statutory force, but as a code which might influence the courts in their decisions. The analogy with other codes was not exact however; these had been amplifications of statutory provisions. There was no precedent for a self-standing code. After a brief

Discussion it was agreed not to pursue the proposal for model rules.

In discussion, it was noted that the success of the Government's approach depended upon the willingness of individual trade union members to go to court to exercise the rights which they were being given. Many ordinary trade union members would be intimidated by the courts or by the expenses of litigation. Although legal aid was often available in principle, many union members would not qualify. One possibility would be to relax the conditions of legal aid, perhaps after requiring a statement from the Certification Officer that the individual had a prima facie case. There were precedents for state assistance in the field of industrial relations legislation, eg, help for postal ballots and compensation for dismissal in closed shop cases. There would be difficulties in distinguishing between trade union members who could receive legal aid and, for example, someone seeking damages over defective goods who could not. An alternative would be to encourage the establishment by private interests of a fund that trade union members might draw upon. They might be reluctant to do so if it were too overtly associated with employers. Summing up this part of the discussion, the Prime Minister said the Government's approach should continue to be to provide rights for trade union members but it was essential, at the same time, to make it easier for trade unionists to use those rights. The Secretaries of State for Employment and Trade and Industry and the Solicitor General should examine ways of achieving this.

Discussion then turned to the wider programme of industrial relations reform set out in the Secretary of State for Employment's minute of 5 June. One element of this was how to carry out the manifesto commitment to consult about ways of reducing strikes in essential services. The proposal had not been to ban strikes in essential services but to require that certain procedure agreements were observed if immunities were to be preserved. A number of public sector unions, some of which like those in the electricity industry were responsibly led, had expressed concern. It was essential to assure them that an outright ban on strikes was not being contemplated.

It was noted that even the introduction of mandatory postal ballots would not guarantee proper conduct of elections for officials and strikes. The creation of a statutory body had been suggested to oversee the conduct of elections though it might find it necessary to involve itself in all stages. Such a body would find it difficult to oversee elections beyond those for national officials. Strong reservations were expressed about the proposal for lay-off of workers made idle by a strike.

Summing up this part of the discussion the Prime Minister said a meeting of a wider group of Ministers would be convened to discuss the Secretary of State for Employment's minute of 5 June. The aim should be to produce a consultation document by the autumn of 1985 which would

Provide the basis for legislation in the 1986/87 session. The Government should, however, be in a position to respond earlier, if necessary, to any major abuse whether in the NUM rule book or elsewhere.

I am copying this letter to Geoff Dart (Department of Energy), John Mogg (Department of Trade and Industry) and Henry Steel (Law Officers Department).

(ANDREW TURNBULL)

David Normington, Esq.,
Department of Employment.



PRESS RELEASE FROM TONY BALDRY, M.P.

File : // ce JF

Enclosed is a quote as to why the overwhelming majority of Conservative Members of the Employment Select Committee were unprepared and unwilling to support the Chairman's report on the dismissal of miners.

For further information telephone:

01- 219 4476 (House of Commons)
01- 219 5252 (.. ..)
01- 582 2424 (London home)
0295 73 686 (Constituency home)

THE MINERS' DISPUTE

The miners' strike was characterised by widespread vandalism, violent attacks upon individuals and a campaign of concerted and co-ordinated intimidation against those miners who sought to work.

At no time were those acts of violence, vandalism and intimidation condemned by Mr. Arthur Scargill and the NUM.

As against this background, it was clear that the NCB had a duty and an obligation to protect those who sought to work, to protect them from intimidation and abuse and acts of violence.

This resulted in a number of miners being dismissed during the strike.

It was doubtless part of the NUM's thinking during the strike that, at the end of the dispute, they could secure an amnesty for all sacked miners similar to the amnesties offered after the coal miners' strikes of 1972 and 1974.

Doubtless, many miners who engaged in acts of violence were encouraged by the thought that, in the long term, they would be able to secure a general amnesty and thus could act with impunity in the short term, even if that did mean temporarily being dismissed.

/But

But is it really to be suggested that, in Britain, an employer is to be compelled to retain or reinstate those who have burnt his buses, smashed his equipment and assaulted his staff?

According to the Labour Party, the answer is yes - we now have Mr. Benn and other Labour M.P.s calling for an amnesty for all miners convicted of any criminal offence, including a demand for a pardon for those miners found guilty of murder!

It is time to restore some sanity to this situation. Whether or not a man has been dismissed fairly is a matter of law. We have in Britain a system of Industrial Tribunals. Industrial Tribunals where Trades Unionists are represented equally with employers. Industrial Tribunals one of whose principal purposes is to ensure that people are not unfairly dismissed from work.

It would appear that a majority of those miners who were dismissed during the dispute have appealed to the Industrial Tribunal to have their own particular dismissal declared unfair. This is the correct procedure. The Industrial Tribunal can then give proper consideration to

/each

each individual case. If the Tribunal finds that any miner was unfairly dismissed, they can order compensation and recommend reinstatement. This is the proper way to proceed - only then will one know whether or not the Coal Board acted fairly and properly when it dismissed employees during the dispute.

TONY BALDRY

17th June, 1985.

THE DISMISSAL OF NATIONAL COAL BOARD EMPLOYEES

(Chairman's draft Report)

1. During the year-long coal strike, which ended during the first week of March 1985, the number of arrests totalled 11,000, though there were substantially fewer actual convictions by the Courts. When the strike ended, there were some 1,000 miners who had been dismissed by the NCB, but by mid-May, some of those who had been dismissed had been reinstated and the Committee was told that the number of dismissals now totals 671.

2. The purpose of the Committee's inquiry, which was announced on 14th March, was to consider the criteria governing the non-reinstatement of those who had been dismissed; to consider whether those criteria had been applied consistently and fairly on a nationwide basis; and to establish whether any lessons could be learned from them in future. It was not the intention of the Committee to examine any particular individual case; nor was it to hold any sort of post-mortem on the strike itself.

3. Written evidence was first received from both the National Union of Mineworkers and the Coal Board, and this was augmented by oral evidence which was taken from representatives of both the NUM and the NCB on 22nd May.

4. In his oral evidence on behalf of the Coal Board, Mr Ian MacGregor, Chairman of the Board, told the Committee that consideration of re-instatement of those who had been dismissed had been devolved by the Board on an Area-by-Area

basis so that each case could be considered on its merits. However, the Board had emphasised that it was its "philosophy that Areas should not re-instate anyone who has been dismissed following conviction for acts of serious violence, intimidation or vandalism, or dismissed on good evidence of involvement in them." (Q 95)

5. Mr MacGregor also informed the Committee that the normal procedures set out in the ACAS Code of Disciplinary Practice and Procedure did not apply while their employees were on strike. (Qs 97 to 102). (These procedures include giving individuals the right to be accompanied by a trade union representative; and providing rights of appeal or independent arbitration). Mr Hunt, Head of the Coal Board's Industrial Relations Department, agreed (Q 107) that the process of assessing each case at Area level was a form of "summary treatment". Although nobody had been accorded the right to have a union representative present at a review hearing (Q 97), Mr MacGregor declined to accept that the Board had been operating in a "very summary fashion" (Q 108).

6. To the main allegation from the NUM - that the Board's reinstatement policy had been discriminatory, and that inconsistencies and anomalies existed from one Area to another - Mr MacGregor said that "some inconsistencies are bound to occur when you have a fully decentralised policy." (Q 95). He offered no explanation for any specific instances complained about during the oral evidence given by representatives of the NUM. He emphasised that individual employees had a right to take complaints of unfair dismissal to Industrial Tribunals, but he declined to give the Committee an assurance that the NCB could necessarily accept such a finding if an Industrial

● Tribunal upheld a complaint of unfair dismissal and ordered re-instatement. (Qs 122 to 125 and 258 to 259).

7. In their oral evidence to the Committee, the NUM made a plea for an amnesty for all sacked miners, similar to the amnesties offered after the coal miners' strikes of 1972 and 1974 - though the Union's Secretary, Mr Heathfield, recognised (Q 24) that there could be other ways of dealing with the position of those who had been dismissed. The NUM criticised the unfairness of what they described as the "double penalty" suffered by those who had both lost their jobs and been punished by the Courts. They particularly criticised what they described as the discriminatory manner in which the NCB had operated its re-instatement policy in different areas, notably Scotland and Kent, but also elsewhere within the same areas. The NUM argued for some form of appeal procedure so that any anomalies could be resolved; and they also complained that the Coal Board would neither discuss these matters with them, nor allow union representatives to accompany their members at re-instatement hearings.

8. It seems to the Committee that in reconsidering the position of miners who had been dismissed, the NCB was engaged in what amounted to an act of arbitrary clemency. However, the act was necessarily, as the NCB saw it, restricted by the "philosophy" described by Mr MacGregor in paragraph 4 above: regrettably, it was not subject to any supervision or monitoring in regard to its application within and between the Areas.

9. It appears to the Committee, that what is now mainly at issue between the NCB and the NUM is not the legal right of

the Coal Board to dismiss its employees: it is the failure of the Board to ensure that its re-instatement policy is being fairly and consistently implemented and is in accordance with the ACAS Code of Disciplinary Practice.

10. The Committee considered that whilst the NCB has discretion in how it exercises any leniency or clemency towards those who have been guilty of an offence, it also has to do so against a background of residual resentments engendered by the long-running strike. So it follows that an important consideration from the Coal Board's point of view must be to ensure that any persistent bad feeling is not inflamed by the exercise of exceptional discretion in favour of either one section of the workforce or another.

11. The Committee appreciate that it might not have been practical in some of the circumstances prevailing at the time of the strike to implement the normal disciplinary procedures recommended by the ACAS Code of Disciplinary Practice and Procedure. Nevertheless, the Committee recommends that it ought to be standard practice, irrespective of the strong feelings and complexities that can occur during and after an industrial dispute, to revert to these procedures as soon as normal working has been resumed, including resolving any matters that might have arisen during the course of the dispute.

12. Members of the Committee noted certain assurances given to them by both Mr Scargill, President of the NUM, and Mr MacGregor, Chairman of the Coal Board. Mr Scargill assured the Committee that if a special review re-examined the cases of miners who had not been re-instated "it would certainly be

very helpful step, that would go some way to meet their own criteria" (Q 80). Mr MacGregor also expressed his willingness not to rule out completely such a possibility. He conceded (Q 116/117) that he would keep his options open. The Committee, therefore recommends that the Coal Board -

(a) institutes a review into the cases of miners whose reinstatement has already been rejected at Area level and

(b) ensures that if there are any Areas in which no review of dismissals has yet taken place, such reviews precede any re-examination that may be conducted at a national level.

In the view of the Committee the purpose of any national review should be to ensure that no unreasonable inconsistency, anomaly or discrimination, amounting to unfairness, has been perpetrated, inadvertently or otherwise, either within or between different Areas in the matter of re-instatement of dismissed miners.

13. The Committee does not believe that it would be appropriate to stipulate whether any such special review machinery should be created from within the NCB or be independent or it; but the Committee does recommend that the terms of reference of any review should be consistent with the spirit and the guidelines contained within the ACAS Code of Disciplinary Practice and Procedure, so that fairness can be seen to have been exercised in the best interests of good industrial relations.

SUMMARY OF RECOMMENDATIONS

- (1) It should be standard practice after an industrial dispute involving strike action, for the provisions of the ACAS Code of Disciplinary Practice and Procedure to be reactivated by any employer once normal working has been resumed.

- (2) The National Coal Board should (a) institute a national level review into the cases of the dismissed miners whose reinstatement has been rejected at Area level and (b) ensure that if there are any Areas in which no review has yet taken place, such a review precedes any re-examination at national level.

- (3) The terms of reference of any review should be consistent with the spirit and guidelines of the ACAS Code of Disciplinary Practice and Procedure.



10 DOWNING STREET

John Bate.

You may wish to be aware of
Silver Bird's request for a
meeting. If you agree I will seek
advice from DEh, particularly
in the light of what our former
Minister would be willing
to take to do.

MBA 26/6

1. Andrew Turnbull
2. Mark Addison

I agree we should get
advice from D/Energy but we should
check the terms of our previous refusal
to see if it contained a suggestion that the PM
would see Mr. Butcher after the strike FEB 26-6.

PRIME MINISTER

c. Mr Letwin

INDUSTRIAL RELATIONS LEGISLATION: NUM RULE BOOK

This meeting can be divided into three parts.

(i) NUM Rule Book

Mr Walker could be asked to report on the latest intelligence about the NUM vote. Mr MacGregor implied that if the Notts miners decided to take part there was a chance that the rule book would be defeated but that Notts may prefer to stay away and split off from the main union. NCB should be asked quickly for their advice on which outcome is preferable. I would have thought that if the rule book can be defeated by Notts taking part it would be better for this to happen. If Notts took part and the rule book went through the option of their leaving the union would still be available but they might regret it if the rule book went through in their absence by a narrow majority.

(ii) Model Rules

Flag A

As you requested, Mr King has prepared a set of model rules though he advises against pursuing this course. He prefers to continue the existing policy of identifying specific abuses and extending the network of statutory duties, rights, protections and remedies to counter them, rather than the Government attempting to specify at one go all aspects of the behaviour to which trade unions should conform. He argues that it is better to give individual union members weapons with which to fight abuses by their leaders rather than for the Government to be in the front line. Certainly the miners' strike showed the value of this approach. He also points out that if a union lost immunity on account of its rule book other sanctions based on the loss of immunity are rendered impotent. Oliver has suggested a compromise in which the Government sets model rules but gives ^{them} ~~it~~ the status of a code which would not have statutory force but to which the courts could refer in reaching their judgements.

Flag B

(iii) The Wider Programme of Industrial Relations Reform

Flag C

Mr King minuted you on 5 June to set out the wider programme of reform, including the Government's response to the Manifesto commitment on strikes in essential services. It would be helpful if, at some stage, whatever is decided on model rules were integrated with this wider initiative. You may want to expand the group to include the Home Secretary, the Chancellor, and the Secretaries of State for Social Services, Education and Science and Transport. Such a meeting could decide which of Mr King's ideas should be put out to consultation.

At present there is no slot in the 1985-86 programme for industrial relations legislation. In view of this there seems no reason to rush out a consultation document before the recess, even if it could be done. The alternative would be something when Parliament returns in November. This timetable would need be reconsidered if the NUM rule book was passed and an earlier response to counter its obnoxious features was desirable.

AT

26 June 1985

file

REPORT OF THE EMPLOYMENT COMMITTEE ON THE DISMISSAL OF
NATIONAL COAL BOARD EMPLOYEES

The National Coal Board have now received a copy of the report of the Employment Committee dated 19th June.

The Board will, of course, consider with care the comments and recommendations of the Committee, which they note were not unanimous.

However, the Board regret that the Committee do not appear to have given full weight to the extraordinary conditions of violence and intimidation which arose during the recent strike, and the period which immediately followed. The Board's representatives sought to explain to the Committee the problems to which this gave rise and the reasons for the policy they adopted. The Board explained that during the strike, management applied disciplinary procedures in accordance with the ACAS code as far as this was practicable and appropriate, and this has continued since the strike ended. They further explained that every dismissed miner has the opportunity to approach his colliery manager with a view to his case being brought to the attention of the Area Director. A careful review had been carried out at Area level of every case, taking account of the available information about the circumstances. The Board also pointed out that it was open to men who had been dismissed to put forward a case to an Industrial Tribunal and that this procedure was regarded as the normal and proper way throughout industry of resolving disputes about whether dismissals were fair or unfair.

Area management have continued the Board's policy of reviewing dismissal cases. At the time the Board gave evidence to the Committee, 1013 miners had been dismissed, of whom 414 have been re-employed as a result of this policy, including 41 re-employed since the Board gave evidence. This policy will continue. Any action the Board might take as a consequence will, of course, in no way diminish the right of any person who has been dismissed to put forward

his case to an Industrial Tribunal.

On an initial reading of the report the Board therefore do not see any ground for changing their position as expressed to the Select Committee, especially in view of their serious responsibilities to the large number of employees who worked during the dispute and who, together with their families, were and in some cases still are subject to violence and intimidation.

It remains the Board's view that every dismissed man has the right to appeal to an Industrial Tribunal. If the Tribunal finds that any miner was dismissed and recommends reinstatement, the Board will carefully consider any recommendation made by it.

3005/6/86/L/015/AJP



NDPM AT 28/6 CCNO
DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET 5422
TELEPHONE DIRECT LINE 01-215
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

26 June 1985

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

D Norman

UNEMPLOYMENT BENEFIT FOR REDUNDANTS

I have seen your reply of 14 June to Peter Walker's letter of 22 May about the recent decision by the DHSS Chief Adjudication Officer that those who volunteer for redundancy under job-shedding programmes are not entitled to unemployment benefit. I have also seen Nicholas Ridley's letter of 11 June, and Peter Walker's second letter of 17 June which crossed with yours. A17.

2 I welcome your proposal to introduce legislation as soon as possible to restore what was previously assumed to be the position. The Chief Adjudication Officer's decision would have had worrying implications not only for the redundancy schemes of nationalised industries sponsored by DTI (in particular British Shipbuilders and British Steel) but also for the operation of the labour market more generally.

3 As responsible employers, and in the interests of good industrial relations, companies will generally prefer to fill places in redundancy schemes from volunteers amongst the relevant segment of management or the workforce. A decision which artificially biased management in favour of compulsory schemes would be most undesirable, both in terms of creating hardship for individuals and increasing rigidities in the labour market.

4 Your proposed legislation should resolve the problem for future redundancy schemes. I cannot at this stage however be sure that it will resolve the difficulties which the Chief Adjudication Officer's decision would cause to employees of British Shipbuilders being made redundant under the Shipbuilders Redundancy Payments Scheme. Entitlement to weekly payments from the SRPS turn on a

JH2AXM



definition of "unemployed person" which in turn depends on an individual's strict entitlement to unemployment benefit. Similar difficulties may arise for British Steel Corporation workers who have taken voluntary redundancy under their industry's schemes. We need to ensure not only that your legislation achieves the desired result for the future in respect of such schemes, but that appropriate measures can be taken in the interim to cover the position. My officials will be in touch with yours and with the Treasury shortly to explore the options.

5 I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, and the Secretaries of State for Education and Science, Energy, Scotland, Wales, Environment and Employment.

Yours ever
Norman

NORMAN TEBBIT

JH2AXM

Nat Ind : Coal Pt 18 -

File

NCB'S CONTINUOUS EFFORTS TO AGREE A MODIFIED COLLIERY REVIEW PROCEDURE

'The Board will operate within the framework of the draft proposals'

The National Coal Board are determined to do everything possible to reach agreement on a new Modified Colliery Review Procedure, which they and the industry's trade unions are committed to achieve.

As it has not been possible so far to reach agreement, the Board will operate meanwhile within the framework and spirit of the draft procedure (attached) prepared after detailed discussions with union leaders at six meetings of the joint sub-committee set up by the Coal Industry National Consultative Council.

The last joint meeting (on June 20) ended without agreement being reached on two main issues:

- * The use of the modified review procedure for closure or partial closure of a colliery on economic grounds. (See paragraph 1 of the attached draft).
- * The composition of the proposed new Independent Review Body. (The Board have already agreed to give full weight to its findings before the Board announce their final decision on a colliery under review).

Following the meeting, NCB Deputy Chairman Mr. James Cowan has written to the National Secretaries of the three unions.

Referring to the Independent Review Body Mr. Cowan's letter states:

"The Board stand ready at any time to discuss with the unions our proposal that the Independent Review Body should comprise a single individual of relevant capability and of such eminence as to assure its credibility and independence. I suggested that the scope of the issues that might be considered by the Independent Review Body was such that our proposal that a Planning Appeal Inspector be appointed would ensure that the relevant capability and experience was brought to bear. Assistance could be provided by Assessors appointed by both sides."

Referring to the purpose of the Review Procedure, Mr. Cowan's letter states:

"Whilst the purpose of both Area Review and Reconvened Meetings is to seek constructive ways of improving results, and to secure the maximum efficiency and optimum future for the industry and those who work in it, the Board consider that some pits will have to close, through exhaustion, on safety grounds or because of heavy financial losses or marketing considerations. I must emphasise that the Board will, therefore, continue to propose closure for economic reasons, as part of our drive to create a high volume, low-cost industry, consistent with market requirements by replacing high cost capacity through investment in the development both of new mines and of additional capacity at existing mines."

When the Board arrive at a conclusion that a colliery cannot continue in production, the Board hope that after full local discussion there will ultimately be local agreement.

Mr. Cowan's letter states: "However, in the event of an appeal, the Board will not take action, including significant manpower rundown, to prejudice the outcome of the appeal. This will not, however, preclude local agreement on immediate actions in the light of circumstances at the colliery involved - for instance, to meet an emergency situation. If one or more of the unions accept at local level that their members will continue to request transfer to other pits or to request redundancy, the Board do not consider it proper to deny those requests, but will maintain the fabric of the colliery until the outcome of any appeal is decided."

The Board have no doubt that they have honoured the agreement reached with NACODS last October to re-examine the Colliery Review Procedure and to seek agreement with all three unions.

The proposals they have made at six meetings of the joint sub-committee are, in the Board's view, fair and reasonable and reflect the realities of operating an efficient industry which is in the best interests of all the people employed in it.

June 25 1985

Press Office (2083)

20th June 1985

NEW MODIFIED COLLIERY REVIEW PROCEDURE

1. The new modified Colliery Review Procedure, which will supersede the existing Colliery Review Procedure, will be used to establish regular discussions on how colliery results can be improved. It will also be used where the Board propose the closure or partial closure of a colliery for exhaustion or economic reasons or other reasons germane to their responsibilities to manage the industry effectively.
2. Discussions under the Procedure will take place at "Area Review Meetings" between the Area Director and Area representatives of the three Mining Unions.
3. In the course of the Area Review discussions, the Area Director may identify for separate discussions, particular collieries where results are causing concern and/or where special action is required. The existing Colliery Consultative procedures provide an "early warning system" whereby Area Union representatives may similarly identify for separate discussions any particular colliery where major decisions are being taken affecting its future which, in their view, would shorten its life expectancy.
4. The Unions will have the opportunity to make a technical inspection and will have access to all plans, financial results and any other material pertinent to the future of the colliery.
5. These separate discussions will be held at "Reconvened Meetings" under the Procedure, with the first such meeting taking place within three weeks of the Area Review Meeting. The appropriate colliery management and Union representatives may be invited to attend. Area management and/or Union representatives will have the opportunity of visiting the colliery.
6. The Area Director may at a Reconvened Meeting explain that he cannot justify keeping the colliery open and present to the Unions a written statement of the reason for his decision together with proposals for any redundancies which may arise as a result. Copies of this statement will be sent to the Area offices of the Unions concerned.
7. If the Board and Unions cannot agree at local level, either on a particular proposal from the Board concerning closure or other major decisions affecting a colliery's future which in the Union's view would shorten its life expectancy, the Unions nationally would be notified of the Area Director's announcement.
8. The Unions may request a national meeting (to be held within one month of being notified of the Area Director's decision) to put their views forward.

9. The Board will not take action, including significant manpower rundowns, that would prejudice the outcome of the appeal. The Board at National level will notify the Unions of their decision within two weeks of the national meeting. The Unions will notify the Board within two weeks whether they accept the decision or wish the matter to be referred to an Independent Review Body at a hearing to be held within four weeks.
10. The Terms of Reference of the Independent Review Body are set out in the Annex. The Independent Review Body will present its report within four weeks of the hearing. The National Coal Board will give full weight to the findings of the Independent Review Body prior to announcing its final decision. Where closure is involved, the date of closure will be announced locally by the Area Director.
11. The timetable for stages in the procedure is attached.

NEW MODIFIED COLLIERY REVIEW PROCEDURE
TIMETABLE

	<u>Time From Start</u>
(1) Area Colliery Review Meeting (Quarterly) Colliery identified for separate discussions.	-
(2) Reconvened Meeting to discuss to a particular colliery.	3 weeks
(3) Area Director announces that continued operation cannot be justified. Unions nationally advised of Area Director's announcement.	-
(4) If the Unions wish, they may make a technical inspection.	-
(5) The Unions may ask for a national meeting.	2 months
(6) The National Coal Board consider points made at national meeting, decide whether to close and, if so, inform the unions it will take place on a date to be announced locally.	2.5 months
(7) If the Unions disagree, they may refer the case to the Independent Review Body.	3.5 months
(8) Independent Review Body considers evidence from the Board and the Unions and presents report.	4.5 months
(9) The National Coal Board, having given full weight to the findings of the Independent Review Body, take the final decision. If the decision is that closure must proceed, the date of closure will be announced locally by the Area Director.	5 months
(10) Time to final closure, taking into account process of interviews, transfers, redundancies and statutory notice periods.	9 months

NEW MODIFIED COLLIERY REVIEW PROCEDURE
INDEPENDENT REVIEW BODY

1. The Terms of Reference of the Independent Review Body shall be:-

"To consider arguments put forward by the parties to the Colliery Review Procedure relating to:-

(i) the proposed closure of a colliery;

(ii) proposals in regard to major decisions which, in the view of one or more of the parties, would significantly shorten the prospective life of the colliery

and to report its views".

2. The final decision on any matter referred to the Independent Review Body shall rest with the National Coal Board who, in taking their decision, shall give full weight to the view expressed by the Independent Review Body.

SECRET



114 Ech

cc MASTER SET

10 DOWNING STREET .

From the Private Secretary

25 June 1985

PRIME MINISTER'S LUNCH WITH NCB EXECUTIVE

I enclose a record of the discussion at the lunch yesterday. I would be grateful if it could be given only limited circulation.

I would be grateful also for advice on the way in which the NUM is being financed by other unions.

(Andrew Turnbull)

Geoff Dart, Esq.,
Department of Energy.

JB

NOTE FOR THE RECORD

RECORD OF DISCUSSION AT LUNCH GIVEN BY THE PRIME MINISTER FOR
THE NCB EXECUTIVE ON 24 JUNE 1985

Present:

Prime Minister	Mr. MacGregor
Secretary of State for Energy	Mr. Cowan
Mr. Hunt	Mr. Moses
Mr. Butler	Mr. Northard
Mr. Turnbull	Mr. Edwards
	Mr. Harrison
	Mr. Brandrick
	Mr. Eaton
	Mr. Butler

* * * * *

Capacity and Manpower

The NCB representatives said that good progress had been made since the strike had ended towards eliminating uneconomic capacity. 28 pits had been identified for closure, of which 17 had so far been announced and put into review procedure. The aim was to reduce capacity to 90 mt of deep-mined coal. At the start of the strike there had been 190,000 men on colliery books. The current figure, taking account of men for whom redundancy had been agreed, was 156,000. By the end of the year the figure should reach 149,000, going down to 130,000 by the end of 1986.

Movements

Mr. Edwards said the Board was on track to reach the target agreed with CEGB of stocks of 23 mt by October. In the current week movements would be 2.4 mt, the highest since 1979. Power station stocks could be increased to a maximum of

30 mt in 1986. The Prime Minister repeated her view that the 23 mt target was insufficient. Mr. Edwards argued that it was the maximum which could be achieved.

Opencast Coal

The Prime Minister said it was strange that the Board should deliberately limit its most profitable tranche of production. She also argued that it was wrong for the Board to have the power of licensing private sector opencast operations. Mr. Cowan accepted that in the past the Board had sought to cut back opencast production to around 12 mt. He was now anxious to build it back to 15 mt and would like to go further to 16 or 17 mt. In discussion, it was suggested that the figure of 15 mt was endorsed by the Flowers Report and that local authorities took this into account when considering planning applications. Mr. Walker said it was illogical for a local authority considering the environmental impact in its area to take account of production elsewhere in the country. The Prime Minister said the figure in the Flowers Report had no statutory force and she hoped the Board would quickly appeal if local authorities rejected its applications or had given no answers within two months. Mr. MacGregor said the expansion of opencast coal could be controversial and he gave the example of the proposed closure of two deep-mine pits in Ayrshire - Killoch and Barony - and the opening of opencast capacity in the same area. This would reduce NUM jobs while expanding TGWU jobs.

Colliery Review Procedure

The Prime Minister said she had been disturbed by reports that in the negotiations for a new Colliery Review Procedure the unions were still seeking to delete references to the closure of uneconomic pits. Mr. Cowan said there was no question of the Board conceding this point. There was also a dispute about the nature of the independent assessor. The Prime Minister said the Board's obligation was to show that it had sought a revised Procedure which was fully in accordance

with the agreements it had struck during the course of the dispute, but if no agreement were reached the Board should continue to make closures under the existing Procedure.

Mr. MacGregor said the Board would be making an announcement the following day and he promised to send the Prime Minister a copy of the statement.

Industrial Relations

The Prime Minister took the view that the NUM leadership would seek another strike. While this was unlikely this year, it could well happen next year. Mr. Eaton (though clearly this was not shared by all his colleagues) thought the miners had learnt a lesson from the strike and would be less ready to follow the NUM leadership. The Prime Minister repeated her view that the Board should do everything it could to support the miners who had worked during the strike. She suggested that recruitment at Selby should come from the working miners. Mr. Eaton said that while some transfers could be arranged, it was not possible to devote Selby entirely to the working miners. This would be counter-productive and turn Selby into a target for disruption. Some of the jobs at Selby would have to be given to miners from West Yorkshire pits which were closing. Mr. Eaton said that the Board should never again allow the NUM to monopolise the channel of communication between the Board and the miners. The Prime Minister urged the Board to make full use of modern techniques of communication. Mr. MacGregor said it was not clear whether the new NUM rule book would be adopted. It might be defeated if both Notts and Wales voted against, but the Board was still considering whether to encourage the Notts area to vote or whether to abstain and go its own way. The NUM was thought to be very short of funds and to be dependent on help from the TGWU, though there was some doubt as to whether financial assistance could be paid direct to the Union, or whether any income to the NUM should legally go to the sequestrator.

NCB Enterprises

The Prime Minister and Mr. Walker both expressed disappointment at the progress made so far in developing NCB(E). If the Board were progressing rapidly with closures it should at the same time be giving priority to the creation of new jobs in mining areas. Mr. MacGregor argued that NCB(E) was making good progress and had provided some 300 jobs (Mr. Walker pointed out that 250 of these had come from one project). When told by Mr. MacGregor that Mr. Spanton wished to continue as Chairman of NCB(E) following his retirement from the Board, the Prime Minister said it would be better to bring in someone from outside with experience in setting up a business.-

Markets

Mr. Edwards said the target of 90 mt of deep-mine capacity was based on a view of what the Board could sell. He preferred to seek markets at home rather than pursue loss-making exports. He doubted whether industry would continue to convert to coal if the grants scheme were withdrawn. The Prime Minister said the coal industry had a good future provided it adopted a commercial approach and was prepared to change its working practices.

24 June 1985

File

134

PRIME MINISTER

I thought you would like to know that I have had a message from Malcolm Edwards, who as you know is in charge of deliveries of coal, to inform me that it is likely that over 2.4 million tonnes will be delivered this week which will be a record movement of coal for the last six years. He is now estimating that deliveries of coal to the CEGB will probably be 46½ million tonnes, compared with the target of 45 million tonnes. Since the end of the strike 6 million tonnes of coal have been delivered from the stocks that existed at the collieries as well as the coal that has been produced.

SECRETARY OF STATE FOR ENERGY

24 June 1985

Deliveries have risen since these

WEEKLY COAL AND POWER STATION STATISTICS

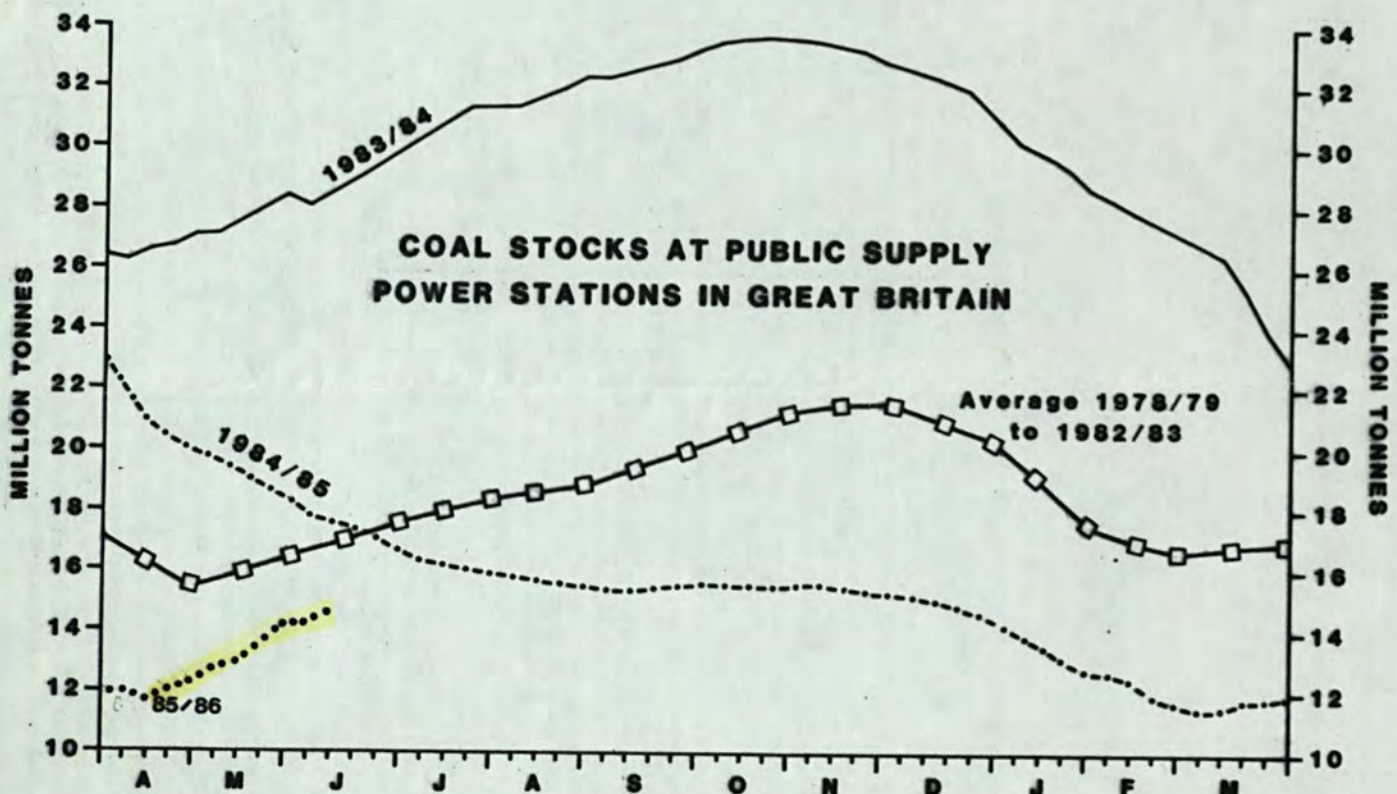
(1) figures - see attached. 24 June 1985

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

Week ending 11.6.83 9.6.84 18.5.85 25.5.85 1.6.85 8.6.85
(5) *md*

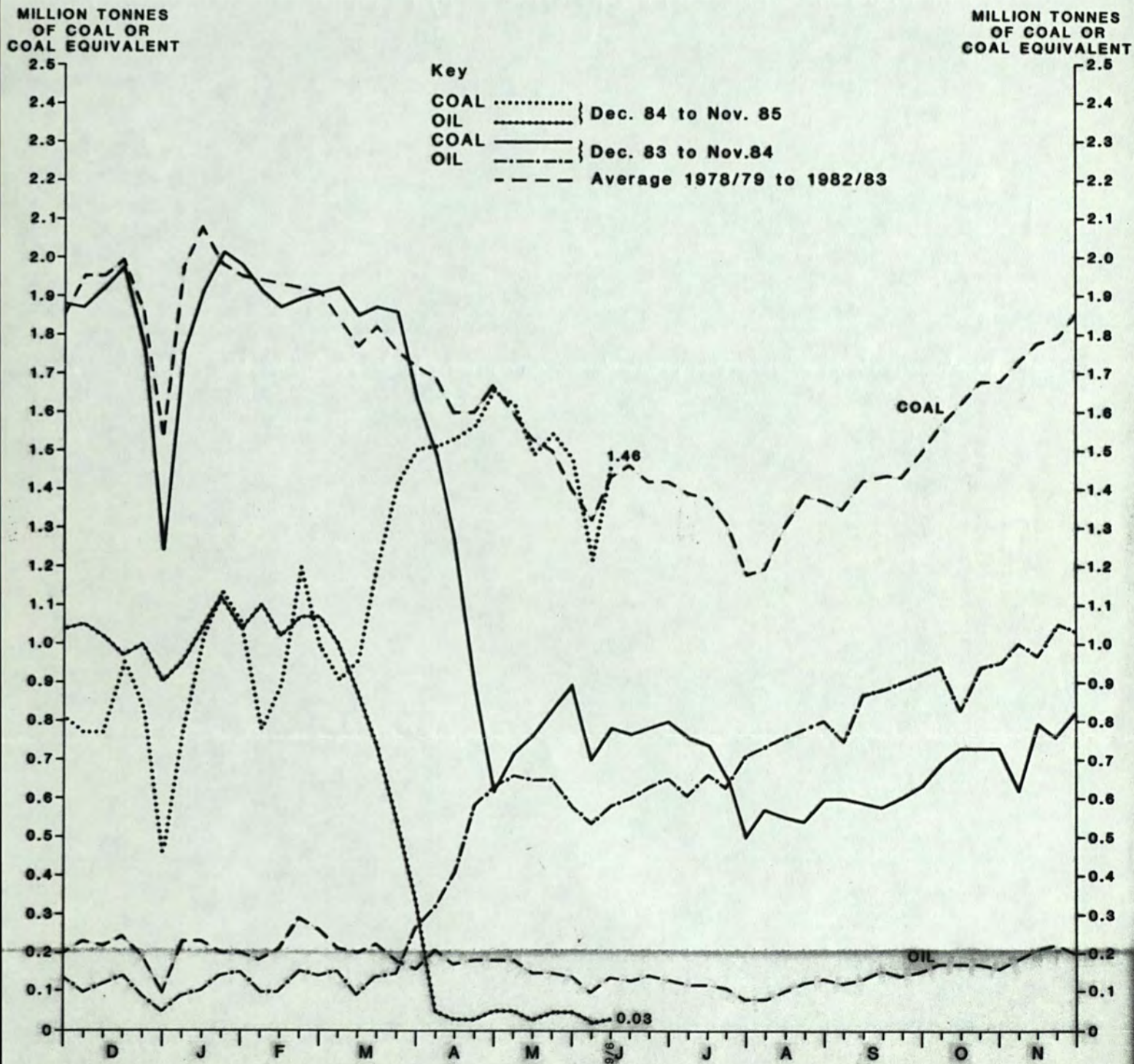
PRODUCTION		deep mines+	2.00:	0.47:	1.79	1.70	0.63	1.66
(m. tonnes)		opencast+	0.31:	0.30:	0.32	0.39	0.28	0.33
TOTAL			2.32:	0.77:	2.11	2.09	0.91	1.98
COAL	PRODUCTIVITY(2)	'overall'	2.52:	2.17:	2.54	2.56	1.95	2.47
	(tonnes/manshift)	'production'	10.47:	10.39:	11.26	11.48	10.31	10.99
UNDISTRIBUTED STOCK								
(m. tonnes)		TOTAL	25.03:	22.24:	16.58	16.06	15.68	15.42
POWER STATIONS	COAL STOCKS	(m. tonnes)	28.50:	17.64:	13.67	14.23	14.25	14.66
	COAL CONSUMPTION	"	1.32:	0.78:	1.55	1.46	1.22	1.46
	COAL RECEIPTS	"	1.73:	0.48:	2.12	2.02	1.24	1.87
	OIL STOCKS(3)	"	1.00:	0.87:	1.01	0.98	0.97	0.97
	OIL CONSUMPTION(3)	"	0.06:	0.34:	0.03	0.03	0.01	0.02
	OIL RECEIPTS(3)	"	0.04:	0.33:	-	-	-	0.03
	ELECTRICITY SUPPLIED (4)	(GWh)						
Nuclear	"	684:	919:	902	941	838	834	
Other Steam	"	3,153:	3,069:	3,634	3,439	2,723	3,386	
TOTAL	"	3,837:	3,988:	4,536	4,380	3,562	4,220	
TOTAL - temperature corrected		"	3,865:	3,940:	4,502	4,354	3,572	4,119

(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.
 (5) Includes Spring Bank Holiday.
 + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL

LUNCH WITH THE NCB EXECUTIVE, MONDAY 24 JUNE

Your lunch with the NCB Executive provides an unusual opportunity to test the direction of Ian MacGregor and his management team.

You could ask:

1. How long does the NCB expect to enjoy a favourable climate during which the restructuring of the industry can proceed, without renewed confrontation and obstruction by the NUM?
2. How much resolve does the NCB Executive have over the terms of reference for the Modified Colliery Review Procedure? Earlier this week we got reports that James Cowans, leading the NCB negotiating team, was prepared to drop an explicit reference to "uneconomic pits" as one of the criteria for pit closure. Now we understand that Ian MacGregor has insisted that the explicit reference should stand. Does this mean a prolonged stalemate? How critical is the establishment of the Modified Review Procedure to the NCB's recovery plans? Do they intend to press ahead and implement the closure programme under the existing Colliery Review Procedure? If so, will this mean further delays?

3. NCB's Plans. We are unlikely to receive NCB's Corporate Plan much before December. The latest IFR forecasts show a continuing high cash requirement from Government:

	1986/87	1987/88	1988/89
	£m	£m	£m
NCB's EFL	750	700	575
Redundant mineworkers' payments	<u>300</u>	<u>320</u>	<u>325</u>
TOTAL:	£1,050m	£1,020m	£900m

In revenue accounting terms (historic cost basis) break-even is achieved by 1987/88. Presentationally this is important, so you will no doubt want to test the robustness of the forecast. To what extent does it depend on the rapid implementation of the closure programme announced so far:

Area	Total employed	Jobs to go	Pits to close	Remarks
Western	17,000	—	—	Heavy investment
S. Midlands	10,000	2,030	2	"Super-pit" to open
N. Notts	16,800	—	—	—
S. Notts	11,000	—	2	Some voluntary redundancies
N. Derby	10,100	240	1 (workshop)	Most men to be transferred
Scotland	11,000	800	2	New jobs to go from no specific pits
North-east	22,000	2,500	2	Plus one workshop
Yorkshire	49,500			
North		1,000	1	Two other pit closures agreed before strike
Barnsley		3,000	2	Plus mergers of others
South		2,800	2	Large job cuts at three others
Doncaster		2,500	—	Eight pits affected
South Wales	19,500	1,800	3	Two further closures possible
Kent	2,200	700	—	Review in abeyance

Source: NCB

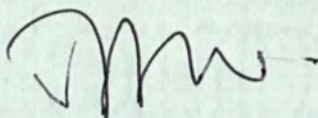
4. What assumptions have been made about productivity and disruptions due to industrial relations problems? How vulnerable is the NCB to a weak coal market, once the CEEB has rebuilt its coal stocks? Do the NCB's plans allow for the CEEB's understandable concern to achieve greater supply security, for example by making full use of imported electricity via the Cross-Channel link with France? How does Malcolm Edwards see the industrial market for coal? How sensitive are the NCB's marketing plans to a higher exchange rate against the dollar - the pricing basis for internationally-traded coal?
5. Is the Plan worth £1 billion a year? What further pit closures and redundancies are in prospect beyond those announced over the last month or two? Ian MacGregor has recently been quoted as saying that the future size of the coal industry will be determined by its customers. That is self-evident, although it does reveal the fundamental difference of emphasis between a supply-driven outlook and a market-orientated approach. Hopefully the notion of a Plan for Coal - in the sense of a rigid supply-related target, based on wishful thinking about energy markets - is dead. What is the new concept around which the NCB will be formulating its Corporate Plan?
6. Has the NCB management learnt from visiting US deep-mining operations. (Earlier this year, NCB Board

members were reported as being impressed by the US productivity rate, where face workers earning about \$40,000 a year achieve output several times that of British miners on similar faces and using similar equipment.) You could refer to the NCB's continuing £800 million per annum capital expenditure programme. Is it possible that a new balance should be struck between capital investment and the productivity of face workers utilising the assets created - highly-paid, highly-productive face workers requiring less investment? Could this transform the economics of existing pits, and postpone the need to make very heavy investment in the next generation of super pits?

If not, what realistic hope is there of achieving break-even in cash flow terms? Won't the next 3 years of capital investment at £800 million per annum be followed by an even more intensive rate of investment in the new pits?

7. NUM rule book, and the prospects of the changes being endorsed? What is the outlook for the structure and complexion of the NUM? What are the prospects for a decentralised NCB structure inducing a corresponding decentralisation of the NUM? How does the Executive regard the formation of a break-away union of moderate miners?

You might get some pleading from the Executive to be left to get on with the job, unimpeded by Whitehall pressures to produce carefully documented forecasts and exercises such as the Corporate Plan. They should be left under no illusion that any private sector organisation with the NCB's track record and prospects would be subject to even more rigorous scrutiny by bankers, analysts and shareholders.



JOHN WYBREW

CONFIDENTIAL



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

01-211-6402

R Butler Esq
Principal Private Secretary
to the Prime Minister
10 Downing Street
LONDON SW1

21 June 1985

Dear Robin,

NCB EXECUTIVE COMMITTEE LUNCH

As requested, I enclose suggested questions for the Prime Minister to raise with the Board's representatives, both specific to individuals and general topics.

My Secretary of State has asked me to let you know that he intends to brief the Prime Minister on the current situation in the industry when they meet at Chequers on Sunday.

I am copying this letter and enclosures to John Lavin in David Hunt's office.

Yours ever,

G S DART
Private Secretary

CONFIDENTIAL



DISCUSSION WITH NCB EXECUTIVE COMMITTEE

PART 1

Questions specific toMr Eaton (Director designate for Personnel and Area Director N Yorks)NUM Split

1. Do you want to see the NUM split? Will this follow from national adoption of the proposed NUM rulebook changes? Is it important that the moderates should be expelled, rather than withdraw?

NACODS

2. What steps should the Board and the Government take to contain the power of NACODS?
3. What are the prospects for a satisfactory conclusion to the negotiations on a new colliery review procedure?

Mr Edwards (Director General, Marketing)Coal Sales

4. At what level will sales of coal be taking place on an economic basis? Can he see any profitable export markets?
5. What is the scope for industrial conversion without Government grants?

Cheap coal-based electricity

6. You advocate cheap coal supply ("third tranche" coal) to the electricity industry to support lower electricity charges to large industrial users. Will this sustain volume of sales at the expense of higher financial losses by the Board? How is that justified, over the longer term, in preference to additional closures, if necessary?

Mr Moses (Technical Director, with responsibility for planning)Capacity Reduction

7. The Board's estimates show substantial manpower rundown this year and next. What volume of new production capacity (measured in relation to output in, say, 1982/83) needs to be eliminated in the same period in order to meet the Board's financial target? Is this going to be achieved?

Opencast

8. Is there any continuing justification for NCB ownership and licensing of opencast production? Why should not opencast coal production be licensed, like oil and gas, by an independent third party?



Mr Northard (Operations Director)

Output

9. The Board is aiming to stabilise deep-mined output at 90 mt pa. Would you hold to that target even if NCB stocks began to mount again as a result?

Mr Butler (Director General, Finance)

NCB "Culture"

10. Has there been a change of culture in the NCB since the Ezra era, from output/marketing at the prime measure of success to financial performance? Is this reflected in greater authority for the Finance Department in Board affairs?

Financial Target

11. What form of financial target should the Government set once financial breakeven has been achieved?



General Questions

1. Redundant Mineworkers' Payments Scheme

Will the Board be ready to assume financial responsibility for its own scheme for payments to mineworkers made redundant after the substantial rundown this year and next? If not, why not?

2. Privatisation

Assurances have been given that no plans exist for privatising either deep-mined or opencast coal. But coal is no natural monopoly. Who has ideas for future privatisation? How soon will a start be practicable?

3. Overseas Activities

What justification is there for continued NCB investment in coal production overseas (as opposed to supporting overseas ventures by British consultants and equipment manufacturers?)

4. Board Composition

If you were chairman of the NCB, what executive functions would you want to see represented by Members on the main Board?

5. Board Pay

If you had the responsibility in Government for determining Board pay, how would you resolve the political dilemma of authorising payments sufficient to match private sector analogues and create proper internal differentials?

DRAFT SEATING PLAN FOR LUNCH ON MONDAY, 24 JUNE WITH NCB EXECUTIVE AT 12.30 PM

(A)

Mr. A. Turnbull	Mr. M. Eaton Director/Personnel Designate	Mr. I. MacGregor Chairman	PRIME MINISTER	Mr. J. Cowan Dep. Chairman	Mr. M. Butler Finance Director Designate	Rt. Hon. Peter Walker
-----------------	---	------------------------------	-------------------	-------------------------------	--	-----------------------

Mr. David Hunt	Mr. F. Harrison Finance Director retiring shortly	Mr. M. Edwards Commercial Director	Mr. K. Moses Technical Director	Mr. J. Northard Operations Director	Mr. D. Brandrick Secretary	Mr. Robin Butler
----------------	---	--	---------------------------------------	---	-------------------------------	------------------

ENTRANCE

Agnew

SPECIFIC

1. Eaton

- NUM split? Rulebook
- Power of NACODS
- Colliery Review Procedure

2. Edwards

- Economic market for coal? Profitable exports?
- Conversion without grants
- Third tranche coal

3. Moses

- Manpower reduction
- Desirable capacity
- Opencast

4. Northard

90 mt deep mined target

5. Butler

- NCB financial culture
- Achievement of breakeven
- Financial target

GENERAL

1. Responsibility for RMPS
2. Privatisation
3. Overseas activities
4. Functions represented on Board
5. Board pay
6. Working miners

PRIME MINISTER

LUNCH WITH NCB EXECUTIVE

This is an opportunity both to discuss current issues in the industry and for you to assess the qualities of the members of the Executive. I have consulted Mr Walker about the seating plan - Flag A. He suggests that he and David Hunt, who see the Executive frequently, should sit at the ends of the table to allow you to conduct a discussion with the most important NCB representatives. Content with suggested seating?

You will want to get the members to speak on their own subjects and not allow Mr MacGregor to monopolise the replies. At Flag B are a number of questions you could raise. (I can summarise these on to a card for you). Policy Unit have also raised some issues - Flag C.

AT

Andrew Turnbull

File

Discussed at lunch with
NCB Executive 24/6

20 June 1985

PRIME MINISTER ②

A meeting has been fixed for
16 July to discuss endurance.
I will investigate X which is
inconsistent with reports from D/Energy 20/6

I saw Walter Marshal last night. He is keen to get rid of
the Electricity Council, as he finds Philip Jones'
interventions disrupt contingency planning and putting over
the CEGB case. Peter Walker is not keen, and the politics
of abolition of the Council are not very exciting.

He was complaining about the slow build-up in coal
deliveries and production from the NCB post strike. He is
now operating normally, with full coal burn, and in
consequence restocking is not going as quickly as he would
like.

X |

||||

He believes Scargill will not strike this winter, but
understands your wish to see reasonable levels of stock
rebuilt; and is keen to get to the position where he has
12 months of stock as soon as possible.

He is continuing work on oil capacity, and is building on
the lessons of the strike about the amount of oil you can
burn in coal stations.

mt

John Redwood

JOHN REDWOOD



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

LESSONS OF THE 1984-85 MINERS' STRIKE

Ministers have responded to the Report of the Official Group on Coal (MISC 57) which was circulated under your minute of 20 May, reference A085/1381. She has noted that the specific points for follow-up action have been endorsed.

The Prime Minister will be holding a meeting with Ministers most closely concerned to take forward the work on physical endurance. She would be grateful if MISC 57 could review in October the progress on implementing the recommendations in other areas.

I am copying this minute to Miss MacNaughton (Lord President's Office), Mr. Taylor (Home Office), Mrs. Lomax (H.M. Treasury), Mr. Dart (Department of Energy), Mr. Mottram (Ministry of Defence), Mr. Graham (Scottish Office), Mr. Jones (Welsh Office), Mr. Ballard (Department of the Environment), Mr. Mogg (Department of Trade and Industry), Mr. Normanton (Department of Employment), Mr. Allan (Department of Transport) and Mr. Steel (Law Officers' Department).

AT

ANDREW TURNBULL

18 June 1985

JB

Prime Minister

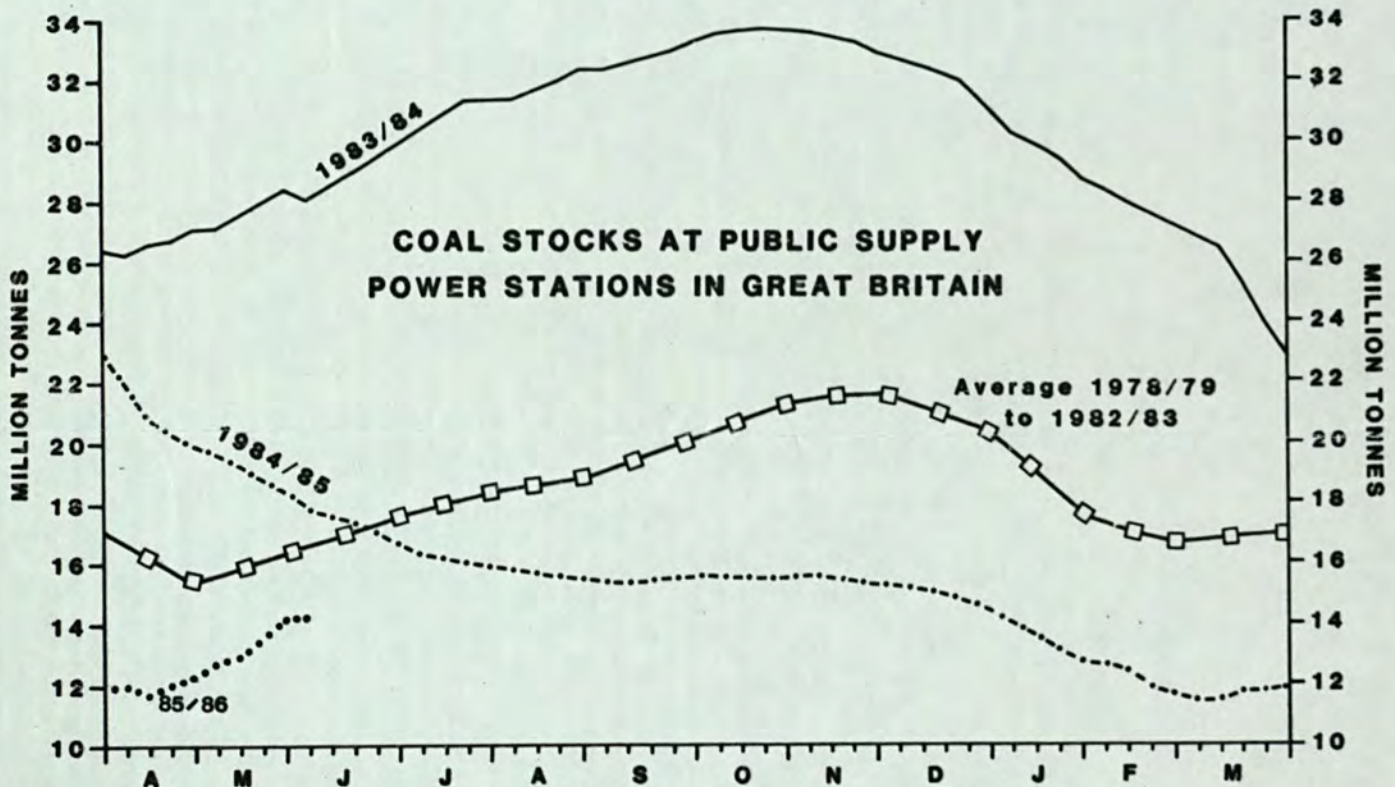
WEEKLY COAL AND POWER STATION STATISTICS (1)

17 June 1985

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

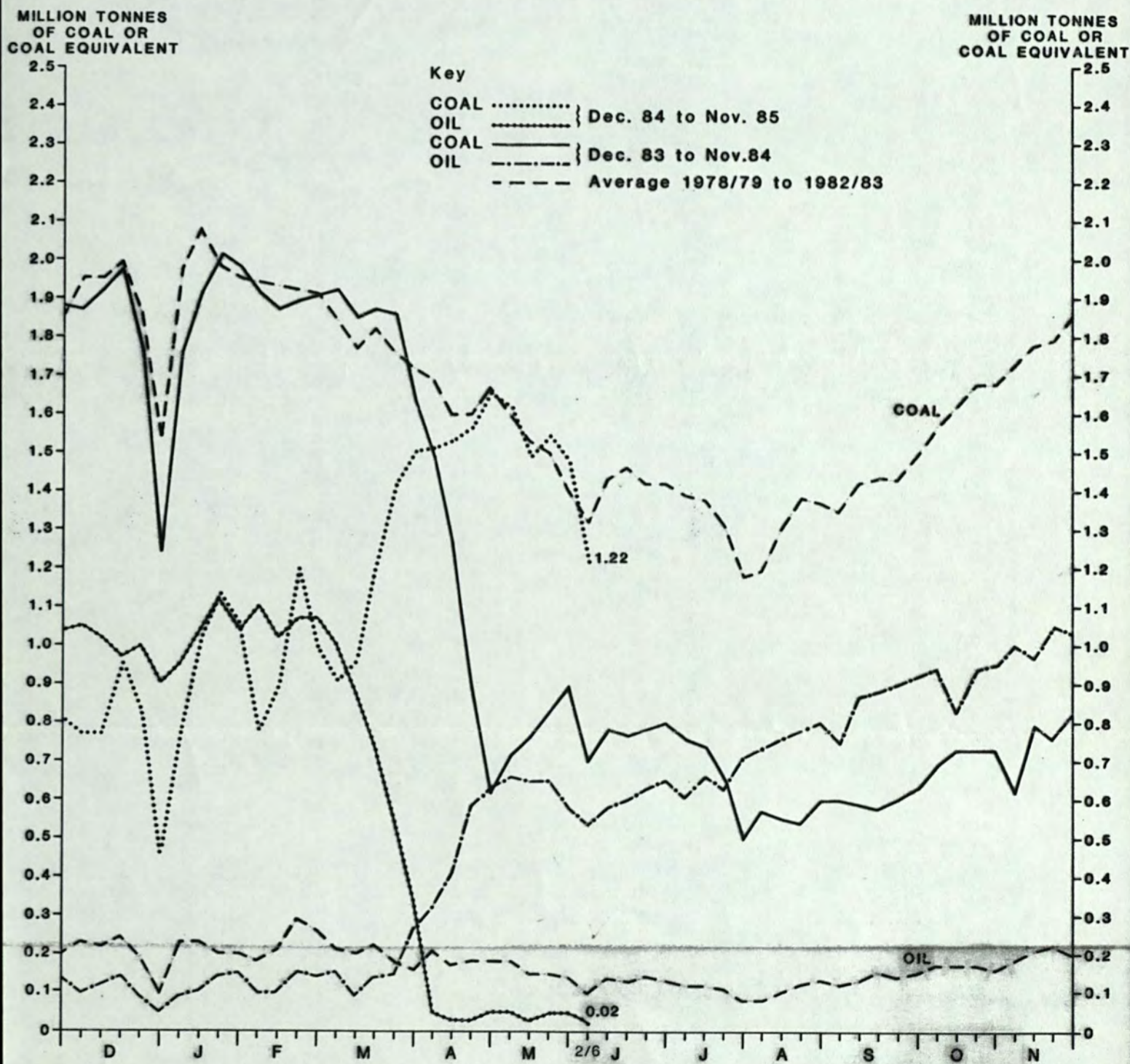
Week ending		4.6.83	2.6.84	11.5.85	18.5.85	25.5.85	1.6.85	
		(6)	(6)	(5)			(6)	
COAL	PRODUCTION							
	deep mines+	0.50:	0.11:	1.45	1.79	1.70	0.63	
	(m. tonnes) opencast+	0.22:	0.25:	0.27	0.32	0.39	0.28	
	TOTAL	0.72:	0.36:	1.72	2.11	2.09	0.91	
COAL	PRODUCTIVITY(2)							
	'overall'	1.51:	1.61:	2.41	2.54	2.56	1.95	
	'production'	7.64:	10.57:	10.73	11.26	11.48	10.31	
UNDISTRIBUTED STOCK								
	(m. tonnes) TOTAL	25.17:	22.18:	17.03	16.58	16.06	15.68	
POWER STATIONS	COAL STOCKS	(m. tonnes)	28.08:	17.94:	13.09	13.67	14.23	14.25
	COAL CONSUMPTION	"	1.19:	0.70:	1.49	1.55	1.46	1.22
	COAL RECEIPTS	"	0.87:	0.23:	1.80	2.12	2.02	1.24
	OIL STOCKS(3)	"	1.01:	0.88:	1.04	1.01	0.98	0.97
	OIL CONSUMPTION(3)	"	0.03:	0.32:	0.02	0.03	0.03	0.01
	OIL RECEIPTS(3)	"	0.03:	0.35:	-	-	-	-
	ELECTRICITY SUPPLIED (4)	(GWh)						
	Nuclear	"	734:	856:	1,002	902	941	838
	Other Steam	"	2,795:	2,829:	3,419	3,634	3,439	2,723
	TOTAL	"	3,528:	3,684:	4,421	4,536	4,380	3,562
TOTAL - temperature corrected	"							
		3,518:	3,579:	4,315	4,502	4,354	3,572	

- (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.
 (5) Includes May Day Bank Holiday. (6) Includes Spring Bank Holiday. *- a holiday week in many pit areas.*
 .. data not yet available. + includes licensed production.



CONFIDENTIAL

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



CONFIDENTIAL

SECRET AND PERSONAL

NSPM

AT 18/1

12



DEPARTMENT OF ENERGY
THAMES HOUSE SOUTH
MILLBANK
LONDON SW1P 4QJ
01-211 4391

From the Permanent Under-Secretary of State

P L Gregson CB

Sir Robert Armstrong GCB CVO
Secretary of the Cabinet
70 Whitehall
LONDON SW1A 2AS

17 June 1985

Dear Robert,

Thank you for your letter of 13 June about the Scottish interconnector. As you probably recall the Official Group on Coal identified this as one of the points to be followed up in its report on the Lessons of the Coal Dispute (MISC 57(85)9, paragraph 2.10(i)(c).

Bearing in mind the special interest which the Prime Minister has now expressed, I shall arrange for a note on this particular point to be sent to the Prime Minister, with copies to other Ministers mainly concerned, in good time before the Ministerial discussion on the MISC 57 Report which has, I gather, been arranged for 16 July.

I am sending a copy of this letter to Andrew Turnbull.

Yours ever

Peter

NBPM

Cenro

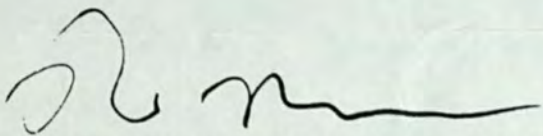
15

18/6

01 211 6402

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

17 June 1985

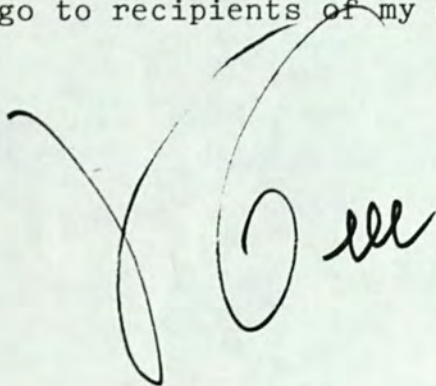


UNEMPLOYMENT BENEFIT FOR REDUNDANTS

In my letter of 22 May I expressed concern at the implications for the National Coal Board's attempt to reduce manpower through voluntary redundancy of the Chief Adjudication Officer's recent ruling that men who take voluntary redundancy are not entitled to unemployment benefit for the first 6 weeks. I urged that we should announce at the earliest possible opportunity that should it be found that under present legislation such disqualification applies then amending legislation with retrospective effect will be introduced.

I am told that our failure to act is now causing the Board serious concern, with increasing numbers of men threatening to withdraw their agreement to voluntary redundancy unless they can be assured that they will be entitled to immediate unemployment. This problem can only get worse. Equally, I cannot settle what if any steps I need to take in relation to the operation of the Redundant Mineworkers Payment Scheme until I know if and when amendments will be introduced to social security legislation. I am advised that the possibility exists of introducing amendments to deal with this problem into the present Social Security Bill during its Lords Committee stage later this month. Can I therefore urge you to reach a decision as soon as possible.

Copies of this letter go to recipients of my earlier letter.



PETER WALKER

Cool: NAT IND Pt 18.

File

11

PRIME MINISTER

LESSONS FROM THE MINERS' STRIKE

Sir Robert Armstrong's minute asked Ministers to indicate whether they were content with the follow-up action on physical endurance, law and order and other matters. Replies have now come in, and Ministers are content to proceed as suggested. The Attorney General's note attached raises three additional points which can be considered in the follow-up work.

I do not think a meeting is necessary to discuss the whole report. Further action could take place as follows:-

- (i) A discussion with Mr. Walker and the Chancellor on endurance. A meeting has been arranged for 16 July by which time the CEGB's assessment will be available.
- (ii) The industrial relations issues raised by the strike can be considered in the context of the NUM rule book, for which a meeting has been arranged next week.
- (iii) Misc 57, now under the chairmanship of Brian Unwin, should be asked to review progress in October on implementing the recommendations.

On reading the report, you felt that insufficient attention was being paid to the problems of the working miners. You have now set action going on this.

Content to proceed as suggested above?

AT Yes

17 June, 1985.



NAPM
HT 17/6
CCND

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Secretary of State for Social Services

CONFIDENTIAL

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

June 14 72

UNEMPLOYMENT BENEFIT FOR REDUNDANCY

Requested 18/6

I am writing in reply to your letter of 22 May, in which you suggest early legislation to allow men who take voluntary redundancy to draw unemployment benefit without any disqualification for leaving employment voluntarily.

I agree with you about this problem. We shall need primary legislation to restore the position to what we have been operating on until now and I am therefore writing to members of H and L Committee separately to seek their approval to amend section 20 of the Social Security Act 1975 in the Social Security Bill.

We will also seek Treasury authority to make extra-statutory payments in respect of periods of disqualification for unemployment benefit imposed upon relevant individuals in the interim period before the legislation takes effect.

Requested 18/6

In my reply of 28 February to your earlier letter of 10 January, I agreed that there should be an internal review of the effects of the trade dispute legislation, and of other issues which arose regarding entitlement to benefit during the dispute in the mining industry. You and other colleagues will wish to know that this is now well advanced.

Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer and the Secretaries of State for Employment, Trade and Industry, Transport, Environment, Education and Science, Scotland and Wales.

NORMAN FOWLER

Subject
 KC Mustee.



cc: Mr. Wybrew

10 DOWNING STREET

From the Private Secretary

13 June 1985

OPENCAST COAL

The Prime Minister held a meeting today to discuss open cast coal mining and the planning system. Present were the Lord President, the Secretaries of State for Energy, Scotland, Wales and the Environment. Also present were Sir Robert Armstrong and Mr. Wybrew.

The Secretary of State for Energy said the recent change in the planning system as it applied to opencast coal had been a Manifesto commitment and should not be reversed. The issue was how to secure an adequate flow of planning consents under the new system. At present there was an unnecessary procedure under which, in addition to consent from the local planning authority, authorisation for an opencast site was required from a Secretary of State. It had originally been intended to introduce a Bill in the 1984-5 Session to amend the Opencast Coal Act 1958 to eliminate this separate procedure. This Bill had been put into cold storage during the miners strike and had not been given a place in the 1985-6 programme. The Secretary of State for Wales agreed that it would be wrong to revert to the old system. Under the new system conflicts between development and environmental interests could be resolved within the Welsh Office without involving the Department of Energy.

The Secretary of State for Energy identified two problems in securing sufficient planning consents. First, the local authorities in many of the areas where potential deposits were to be found were controlled by miners whose outlook favoured deep-mined coal. Secondly, despite the fact that it had made the original complaint about the planning procedures, the NCB also shared this prejudice against opencast coal, even though this was the most profitable part of its business. He suggested that local authorities might approve applications more quickly if the Department of the Environment had set out guidelines on the environmental conditions which it was reasonable to impose. In addition, the Board should be ready to lodge appeals quickly, taking advantage of the fact that an application not dealt with within two months was a deemed refusal.

The Secretary of State for the Environment believed the NCB could do more to prepare the ground with local

authorities before submitting applications. The oil companies had developed sophisticated presentations to back their applications for permission to drill for onshore oil. DOE officials would be happy to discuss this with the NCB. The Department of the Environment and Department of Energy had jointly produced a booklet about planning and onshore oil; a similar booklet could be prepared on opencast coal. While the additional authorisation stage remained, it provided an opportunity for district councils who were not planning authorities to press for public inquiries, even in cases where the county council which was the planning authority had approved the development. It was desirable, therefore, to amend the Opencast Coal Act as soon as possible. He suggested that the legislation which had been postponed might be incorporated into his Bill on planning.

It was noted that the Home Secretary was proposing to amend the Emergency Regulations to allow environmental restrictions on opencast operations, e.g. on road movements, to be lifted during an emergency.

The Prime Minister noted that in addition to putting forward its own applications for opencast sites, the NCB also issued licences for smaller private sector operators. There was no justification for the NCB to retain this control over licences and it should be reviewed as part of the study of the long term structure of the industry. She also noted that there were surplus stocks of opencast coal in Scotland and substantial opportunities for further development. To develop these resources it would be necessary to expand the inter-connector as Scotland's demand for coal would fall as further nuclear capacity came on stream. It was agreed that this issue should be considered in a different context.

Summing up the discussion, the Prime Minister said the recent change in planning control as it applied to opencast coal should not be reversed. The Secretary of State for the Environment should consider with the Lord President whether the clauses needed to amend the Opencast Coal Act could be reinstated in the legislative programme, possibly as part of the Bill on planning. The NCB should be encouraged to adopt a more positive approach to opencast coal and should be more generous in the issue of licences for smaller operators. The Department of the Environment should consider issuing standard guidelines on environmental conditions to be imposed at opencast sites and should consider the preparation of a booklet on opencast coal similar to that published for onshore oil.

I am copying this letter to Joan McNaughton (Lord President's Office), Michael Reidy (Department of Energy), John Graham (Scottish Office), Colin Jones (Welsh Office), Rachel Lomax (H.M. Treasury) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.



NBPM
10
AT
14/6

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/1605

13 June 1985

My dear Peter,

In the course of a meeting at 10 Downing Street this morning about the Opencast Coal Act 1958, the Prime Minister asked that an urgent study should be undertaken of the case for and the feasibility of increasing the capacity of the interconnection between the English and Scottish electricity supply systems, so as to improve the flexibility of the response of the electricity supply system as a whole in cases of interruption.

It was recognised that for the purpose of this study you would need to involve the Chairmen of the Central Electricity Generating Board and the South of Scotland Electricity Board.

I am sending a copy of this letter to Andrew Turnbull.

*Yours ever
Robert*

P L Gregson Esq CB



File SRW

cc Energy

10 DOWNING STREET

THE PRIME MINISTER

For CF Coal file

13 June 1985

Dear Mr. MacGregor,

I should very much like to invite you and your Executive Committee to join myself and Peter Walker for lunch at 10 Downing Street on Monday, 24 June. I understand that this is a convenient date for you. I hope that Michael Eaton and Michael Butler will also be able to attend, as prospective members of the Committee. My Private Office will be in touch with your secretary about the arrangements, and I look forward to seeing you and your colleagues.

Yours sincerely

Raymond Shelton

I. K. MacGregor, Esq.

881



List of those to be invited to the Prime Minister's lunch with
the NCB Executive Committee, 24 June

Executive Committee

- Mr Ian MacGregor - Chairman
- Mr Jimmy Cowan - Deputy Chairman
- Mr Fred Harrison - Board Member for Finance
- Mr Merrick Spanton - Personnel Director
- Mr Malcolm Edwards - Commercial Director
- Mr Ken Moses - Technical Director
- Mr John Northard - Operations Director
- Mr David Brandrick - Secretary

Prospective Members of the Committee

- Mr Michael Eaton - Personnel Director Designate
- Mr Michael Butler - Finance Director

+ Mr Peter Walker
Mr David Hunt

File
eedw

10 DOWNING STREET

THE PRIME MINISTER

13 June 1985

Dear Mr. MacGregor.

As you know, I have recently been receiving many complaints about working miners not receiving the proper protection from the National Coal Board to which their courage and determination throughout the strike entitles them. I understand that there are many who are still subject to intimidation at work, at home, and in the community and consequently they are applying for transfers to other pits or moving home. I am very disturbed about the situation as I believe everything possible must be done for these brave individuals.

Both Peter Walker and David Hunt were given to understand, as they explained to you this afternoon, that Michael Eaton was dealing with all these cases and it was Michael Eaton who was reporting to David Hunt how each individual case was being dealt with. I was therefore surprised to hear from David Hunt when he came to see me straight from the meeting you were having with Peter Walker that you had explained that Michael Eaton had no such authority. I believe it is essential to have Michael Eaton dealing with this vital task. He is someone in whom I have great confidence and I believe he is the right person to solve these problems. I want it to be absolutely clear that every complaint will be fully investigated immediately and unless there are overwhelming reasons to the contrary any genuine requests for help will be granted.

It must never be said that this Government or the Coal Board let down the people whose courage and determination took them through the worst strike in our history.

Yours sincerely

Margaret Thatcher

Mr. Ian MacGregor

CONFIDENTIAL

PRIME MINISTER

12 June 1985

OPEN-CAST COAL

Total UK coal production from open-cast sites is about 15 mt pa, ie 13% of UK coal demand prior to the NUM dispute. The 50-odd large sites, owned and managed by the NCB, using contractors to carry out the work, produce 14 of the 15 mt annual output.

For the large NCB-managed sites, planning consents are obtained by the NCB, usually in accordance with a long-term programme. The remaining 1 mt or so of coal is produced from another 50-odd small open-cast sites licensed by the NCB, and managed and operated by the private sector. In this case, the private sector companies apply for planning permission, having first obtained an indication from the NCB that a licence will be forthcoming.

Open cast mining is profitable. The coal is often of high quality. The large NCB-managed sites cover their costs and contribute £6-26 per tonne to NCB's overheads. The small licensed sites give NCB a royalty of £16 per tonne. In 1983/4 open-cast mining gave NCB an operating profit of £211 million.

Realising the potential of the open-cast mining sector is critical to NCB's objective of achieving financial break-even by 1987/8. Ian MacGregor presumably recognises this, but his

CONFIDENTIAL

industry is still dominated by a deep-mining mentality which tends to regard open-cast coal production more as a threat than a premium sector of the business; the greater the market share of open-cast capacity, the stronger are the pressures to shut down uneconomic or marginal deep-mined pits with all the attendant problems.

Leave aside the greater opportunity now afforded for political obstruction to planning permissions for open-cast sites, there is a genuine environmental trade-off to be struck. Disposal of the coal by a stream of heavy lorries is usually the most disruptive factor. Politically, it would be wrong to reverse the 1983 decision to bring the planning procedure for open-cast mining into line with other mineral operations. The Government would be exposed to the charge of protecting the environment of the wealthy South, whilst short-circuiting the normal processes in the North. Given the profitability of open-cast mines, it is worth making reasonable concessions to avoid the more damaging environmental impacts, for example, disposal by a rail link or the construction of small bypasses.

Conclusions

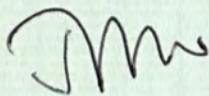
Robert Armstrong's proposal that the NCB should assiduously pursue their planning applications within the processes now established, is right. Politically-motivated local authorities may be a source of some delay, but they

CONFIDENTIAL

- 3 -

cannot ultimately obstruct planning consent where the grounds are reasonable.

As regards the suspicion that the NCB are only half-hearted open-cast miners, you might ask Peter Walker to ensure that the NCB are exploiting to the full the existing potential of open-cast sites managed by themselves, and are not being dog in the manger in issuing licences to small private sector operators. The profitability and flexibility of open-cast mining means that this should be a prime feature of the Corporate Plan, which will be taking shape later this year.



JOHN WYBREW

CONFIDENTIAL



PRIME MINISTER.

LESSONS OF THE 1984-85 MINERS' STRIKE

see Pt 17 at top

1. Sir Robert Armstrong copied to me his minute of 20 May covering a note from the Chairman of the Official Group on Coal (Misc 57) on the lessons of the 1984-85 miners' strike.
2. I endorse these specific points for follow up action on physical endurance, law and order and on other matters.
3. I have three additional comments on the note. First, in paragraph 13 of the note there is a reference to the incident when Kent miners were turned back at the Dartford Tunnel. There are at present two actions proceeding in the High Court against the Chief Constable of Kent arising out of this incident. The decision of the Court may give useful guidance on the law in this area.
4. Second, the footnote to page 26 refers to the fact that the provisions of Part II of the Trade Union Act 1984 do not preclude the linking of issues in a strike ballot. The NACODS' ballot last September illustrated the problems that could arise where a ballot paper deals with a number of issues, although, for other reasons, the ballot did not comply with the Act. I trust that the Secretary of State for Employment will take this into account when reviewing the 1984 Act.
5. Third, since the purpose of the note is to identify the strengths and weaknesses of the handling of the 1984-85 strike so that the handling of any future disputes may benefit from the experience, it may be appropriate to draw attention to an impending change. As regards law and order the Government made a positive virtue of the independence of chief officers of police with regard to operational matters and prosecution policy. Only a relatively small proportion of the offences committed during the strike were of such a character as to be reportable to the Director of Public Prosecutions or cause the Chief



- page two -

Constable to seek advice from him. Establishment of the Crown Prosecution Service will substantially change this position. Although the police will take the initial decision whether to charge the Crown Prosecution Service will be required to review all decisions and conduct all proceedings. Primary responsibility for prosecution policy will thus rest with the Service which will be accountable through the Director of Public Prosecutions to me. Although my relationship with other Ministers is such as to ensure my continued independence, this may not be readily obvious to the public as a whole. There may be problems in the public's perception of my independence at any future equivalent of Misc 101 which will determine Government strategy when I bear ultimate responsibility for all prosecution policy. The problem will be of presentation but it will need careful thought and handling.

6. I am sending copies of this minute to the Lord President of the Council, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Energy, Defence, Scotland, Wales, the Environment, Trade and Industry, Employment and Transport and Sir Robert Armstrong.

M.H.
/

12 June 1985
Law Officers' Department



10 DOWNING STREET

Prime Minister

① The meeting is primarily about planning consents for open cast operations. None of the Ministers believe the clock can be turned back to give D/Energy the power again, so the choices are as in paras 8 and 9 of RTA's note.

The second issue is whether NCB give open cast mining the priority it deserves. Mr. MacGregor did once promise a paper on this but nothing has emerged.

AT

12/1



10 DOWNING STREET

From the Private Secretary

Prime Minister⁽³⁾

I have arranged lunch with the NCB
Executive for Monday 24 June at
1.00 p.m.. Attached are a letter to Mr
MacGregor and a list of those to be
invited, most of whom are expected
to be able to come.

AT

11/6



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

CC No.

NDRM
AT
12/6

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

11 June 1985

Don Norman

UNEMPLOYMENT BENEFIT FOR REDUNDANCIES

see pk 17
As you know, Peter Walker copied to me his letter to you of 22 May.

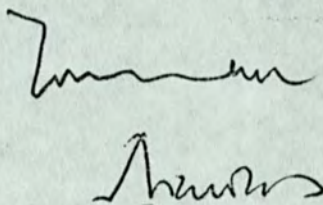
I have little doubt that the decision of the Chief Adjudication Officer, if confirmed, will come as an unpleasant surprise to those transport industries which are committed to substantial programmes of job-shedding - notably BR, LRT and the ports industry. All of those industries are trying to achieve major changes, over a limited time-scale, and without confrontation. That means seeking volunteers for redundancy wherever possible. If reducing unemployment benefit availability means that potential volunteers are dissuaded from coming forward - and this must be a risk - then I have to agree with Peter that we should announce steps to maintain the position.

I might add that, if unemployment benefit availability were to be curtailed, then some publicly funded employers would be very likely to complain that Government should foot the bill for any compensatory improvements which they felt they had to make to their own voluntary severance packages. That could dilute the benefit of any windfall savings.

CONFIDENTIAL

CONFIDENTIAL

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, and the Secretaries of State for Social Services, Employment, Trade and Industry, Environment, Education and Science, Scotland and Wales.

A handwritten signature in dark ink, appearing to read 'Nicholas Ridley', written in a cursive style.

NICHOLAS RIDLEY

CONFIDENTIAL

NAT IND : Coal : Pt 18



Serial No.212

Copy No. 1 of 18

NBIM
AF
t/e

9

Prime Minister

LESSONS OF THE 1984-5 MINERS' STRIKE

I have seen a copy of the report of the Official Group on Coal (MISC 57) sent to you under cover of Sir Robert Armstrong's minute of 20 May, and the comments of various colleagues.

I too am content with the follow-up action proposed.

I am copying this minute to the Lord President, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Energy, Defence, Trade and Industry, Scotland, Wales, the Environment, and Employment, the Attorney General and to Sir Robert Armstrong.

NICHOLAS RIDLEY

|| June 1985

SECRET



NDPN

AT
11/6

40

8

THE PRIME MINISTER

1 of 12

LESSONS OF THE 1984/85 MINERS' STRIKE

See Pt 17

Sir Robert Armstrong has sent to me a copy of his minute dated 20 May covering a note from the Chairman of the Office Group on Coal (MISC 57) on the lessons to be learnt from the recent strike.

I am content with the proposals for follow-up action.

/ Copies of this minute go to the Lord President of the Council, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Energy, Defence, Scotland, the Environment, Trade and Industry, Employment and Transport and the Attorney General.

NE.

11 June 1985

R N E

D89



10 DOWNING STREET

From the Principal Private Secretary

11 June 1985

Following my conversation with Mr. Hunt this morning, I am sending you a copy of a note by the Prime Minister's Parliamentary Private Secretary, Michael Alison, following a meeting which he had with Mr. Ron Catherall and Mr. T. W. Hudson about the transfer of working miners to the Selby coalfield, which is of course Mr. Alison's constituency.

I thought that Mr. Hunt should be aware of this before his meeting with the Prime Minister, since she may refer to it. But I should be grateful if this document could be confined to your office and not put on the Departmental file.

Ferb

J. J. Lavin, Esq.,
Department of Energy.



file

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 June 1985

Dear Andrew

LUNCH WITH THE NCB EXECUTIVE COMMITTEE, 24 JUNE

I enclose the draft of a letter which my Secretary of State suggests the Prime Minister might send to Ian MacGregor about the lunch which she will host on 24 June for the NCB Executive Committee, at which Mr Walker and Mr David Hunt will also be present.

I also enclose a list of those to be invited from the Board. It is not yet clear whether all will be free to attend on 24 June; you said you would contact Sheila Mann in Mr MacGregor's office direct to confirm details.

Mr Walker and Mr Hunt will need to leave fairly promptly after the lunch since this Department is first in order for oral questions on 24 June.

Yours sincerely
Philip Evans

P R EVANS
Private Secretary

stocks rising but next week will be the
Whitton shutdown for many pits

WEEKLY COAL AND POWER STATION STATISTICS (1)

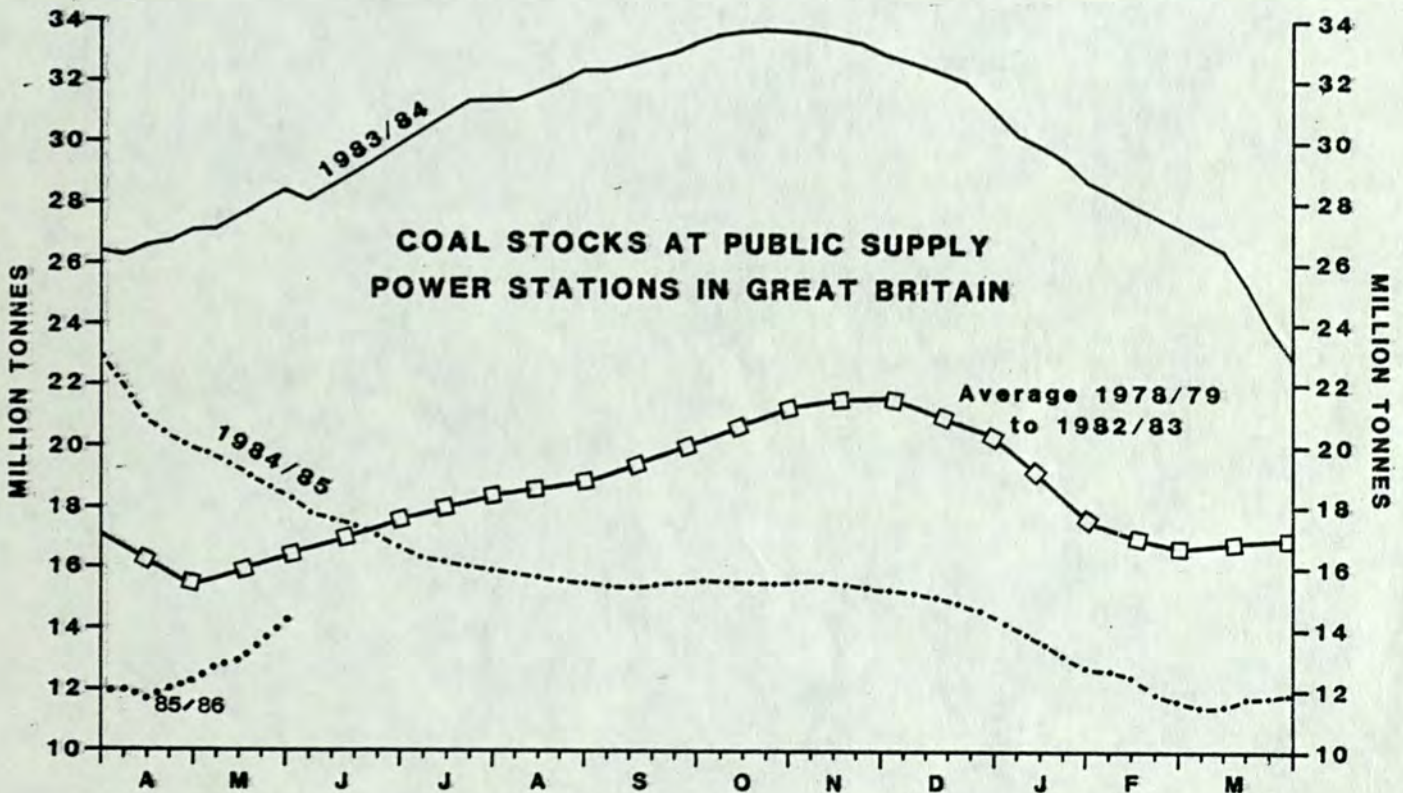
BT 11 10 June 1985

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

Week ending 28.5.83 26.5.84 4.5.85 11.5.85 18.5.85 25.5.85
(5)

COAL			28.5.83	26.5.84	4.5.85	11.5.85	18.5.85	25.5.85	
PRODUCTION (m. tonnes)	deep mines+	2.14:	0.44:	1.71	1.45	1.79	1.70		
	opencast+	0.29:	0.29:	0.31	0.27	0.32	0.39		
	TOTAL	2.43:	0.72:	2.02	1.72	2.11	2.09		
PRODUCTIVITY(2) (tonnes/manshift)	'overall'	2.59:	2.21:	2.38	2.41	2.54	2.56		
	'production'	10.86:	10.73:	10.55	10.73	11.26	11.48		
UNDISTRIBUTED STOCK (m. tonnes)		TOTAL	25.40:	22.12:	17.38	17.03	16.58	16.06	
POWER STATIONS	COAL STOCKS	(m. tonnes)	28.40:	18.41:	12.79	13.09	13.67	14.23	
	COAL CONSUMPTION	"	1.41:	0.89:	1.62	1.49	1.55	1.46	
	COAL RECEIPTS	"	1.82:	0.48:	2.08	1.80	2.12	2.02	
	OIL STOCKS(3)	"	1.01:	0.84:	1.05	1.04	1.01	0.98	
	OIL CONSUMPTION(3)	"	0.06:	0.34:	0.03	0.02	0.03	0.03	
	OIL RECEIPTS(3)	"	0.03:	0.37:	0.01	-	-	-	
	ELECTRICITY SUPPLIED (4) (GWh)								
	Nuclear	"	664:	858:	1,021	1,002	902	941	
	Other Steam	"	3,379:	3,352:	3,735	3,419	3,634	3,439	
	TOTAL	"	4,043:	4,210:	4,756	4,421	4,536	4,380	
TOTAL - temperature corrected		"	3,934:	4,160:	4,628	4,315	4,502	4,354	

- (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.
- (5) Includes May Day Bank Holiday.
- .. data not yet available. + includes licensed production.



CONFIDENTIAL

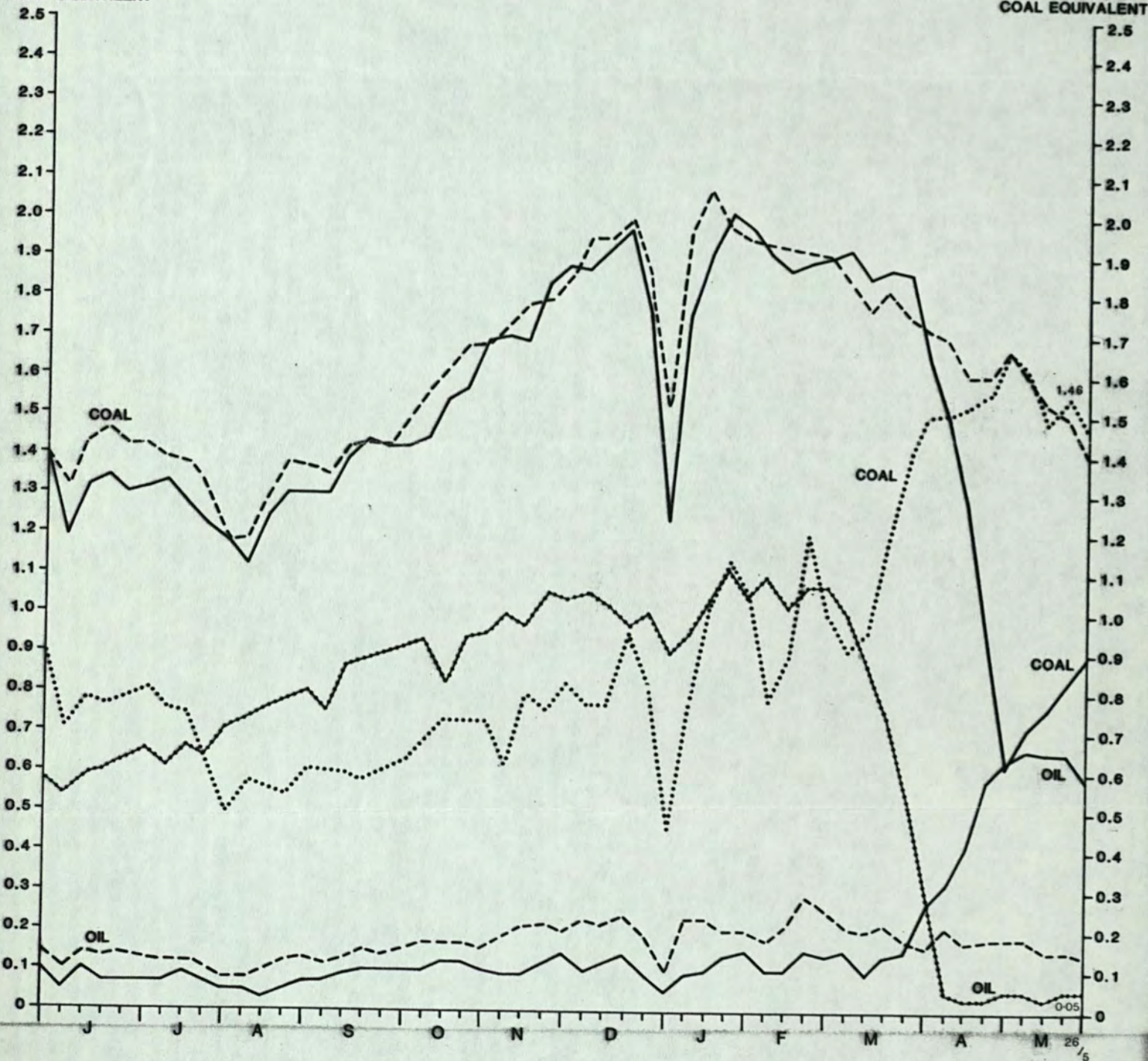
COAL CONSUMPTION AND OIL CONSUMPTION (OIL-FIRED) AT
PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN

Key

- COAL } June 84 to May 85
- OIL } June 84 to May 85
- June 83 to May 84
- Average 1978/79 to 1982/83

MILLION TONNES
OF COAL OR
COAL EQUIVALENT

MILLION TONNES
OF COAL OR
COAL EQUIVALENT



CONFIDENTIAL

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

PRIME MINISTER

c. Mr. Alison

WORKING MINERS

This is just to report progress on Woodrow Wyatt's letter and your request for a meeting with the Secretary of State, David Hunt, Ian MacGregor and Michael Eaton.

David Hunt and Michael Eaton have been given instructions by their respective bosses to sort out this matter in the way you want, and Michael Eaton has told David Hunt that he is quietly arranging transfers to Selby for the people on the lists which Woodrow Wyatt has provided.

I said that our confidence had been shaken by a report that [redacted] had nevertheless been given his redundancy papers last Friday. David Hunt is taking this up with Michael Eaton tonight and will report tomorrow morning. David Hunt will also then give me his advice on whether you should personally take a meeting: he fears that this might leak out and thinks that it is better to do good by stealth so that the militants do not get the impression that their tactics are working and make life more difficult for others. But he takes the point that we must be absolutely assured that each individual case is being dealt with satisfactorily.

F.E.R.B.

David Hunt phoned back to say that [redacted] has not been given his cards. He is bound for Selby, but by a convoluted route involving a first transfer to a pit in North Yorkshire. David Hunt is meeting Michael Eaton tomorrow to go through each case and will then be ready to come in and brief you on each. Would you like me to please arrange for him to come in?

10 June 1985

F.E.R.B.

Prime Minister

TRANSFER OF WORKING MINERS TO THE SELBY COALFIELD

I had a word in the House of Commons on 4th June with a Mr Ron Catherall, an ex-miner and an active Conservative Trade Unionist, and another NUM working miner whom he brought to introduce to me. The latter is Mr T W Hudson, Training Officer at the Stillingfleet Mine, Selby and a member of NUM/COSA. It is about him that I wish to report to you. Mr Hudson happens also to be a Selby constituent of mine.

Mr Hudson was the individual principally involved in securing the return to work of 83% of miners in the Selby area before the strike ended. He is an intelligent man with a considerable grasp of detailed manpower and organisational matters in the coal industry. He expounded to me an imaginative plan for transferring to the Selby Coalfield a number of working miners - he estimated them at about 750 nationally - who are at present more or less subject to harrassment or intimidation in their existing pits and homes.

The strategy underlining his idea is based on the fact that the NUM militant leadership is doing its best, with some local NCB managerial collusion (he gave me examples) to build up militant NUM branches and leadership in the Selby coalfield, recognising this coalfield's potentially decisive role in future coal production and hence in future coal strikes and stoppages. Mr Hudson's vision is one of

.../...

turning Selby into a predominantly moderate coalfield, by putting into it a large leaven of as many working miners from the 1984/85 dispute as possible.

The question arises: is it practicable systematically to transfer large numbers of working miners - as many as 750 - without a scandal or disruption? Mr Hudson believes that it is. The detailed plan is as follows:-

The Selby coalfield complex will ultimately employ 4,000 miners. At present some 2000 have been taken on. There is thus ample room for growth. There are six individual pits in the Selby complex, with separate colliery managers and separate NUM branches. One of these individual pits - North Selby - has only 12 men on its books (too few, incidentally, for an NUM branch to be constitutionally set up). But North Selby has a design capacity for 780 men.

Mr Hudson's proposal is that working miners subject to harrassment in Yorkshire and elsewhere should be transferred to the books of North Selby, and then seconded temporarily from there to other Yorkshire pits whilst North Selby builds up its own requirements. This is recognised practice, and already occurs with the dozen or so men already on North Selby books.

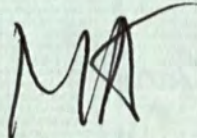
I attach separately some added practical questions and answers about this idea and possible objections to it, which Mr Hudson provided for me.

I have minuted you in this detail and at this length to strengthen your hand in pressure you may wish to bring to bear upon the NCB Chairman and the Secretary of State. Mr Hudson is

.../...

already sent me a number of names of working miners who are being made compulsorily redundant in the Yorkshire coalfield, probably as a result of ^{managerial} collusion with local NUM militants. Such men could and should be transferred to the Selby coalfield.

We are at a critical juncture in relation to human perceptions and attitudes in the coal industry, following the historical dispute. There could well be born a new tradition amongst many miners of looking naturally to the Conservative Party for support and protection, as earlier generations looked to Labour. But this new tradition could prove to be stillborn. You are the catalyst - or the midwife - for change. The working miners are asking the questions "Can she deliver?". I believe that some sort of continued pressure by you to protect the working miners will make certain that the answer is "Yes"!



MICHAEL ALISON
10.6.85

SOME QUESTIONS AND ANSWERS ON TRANSFERRING WORKING MINERS
TO NORTH SELBY

Question: Would not the NUM and its branches notice if a mass transfer to North Selby took place?

Answer: Transfers would have to involve a few at a time with the worst hit cases of intimidation first. The selection procedure would have to involve very few people for security reasons: Mike Eaton and Mr Hudson and Mr Catherall could do all the work that was necessary.

Question: Would not the NUM branches at the collieries which working miners had been transferred from notice that those people had left, and pursue the vendetta to other branches?

Answer: There is no NUM branch at North Selby at present and working miners transferred there could establish their own branch there, with their own elections and hence prevent interference.

Question: The existing Industrial Relations Department of the North Yorkshire Area of the NCB would have to make all the transfer arrangements: would there not be a leak from Management to the NUM about the proposed arrangements?

Answer: There is a lot of collusion between NCB colliery management and local NUM officials, and it would be necessary to by-pass the normal Industrial Relations officers at NCB Headquarters in North Yorkshire. The by-passing could be done by the creation of a Special Manpower Officer

.../...

for the Selby project, with the direct responsibility to Mike Eaton or to his reliable Deputy, Mr Tuke.

It would be the responsibility of this Special Manpower Officer to guarantee the transfer of working miners to North Selby, and organise their temporary secondment from North Selby to other local mines as manpower requirements dictated.

Question: What would happen to the training records of those who were transferred? Normally these have to be sent to any new location where a transferred miner might be working.

Answer: The relevant training records should all be sent to Hobart House. The Selby Manpower Officer would collect them from there or they could be given to each transferred miner in a sealed envelopped for him to take with him.

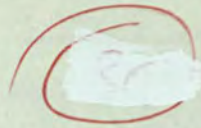
Question: How would the housing needs of large numbers of working miners be met?

Answer: Rentable property would need to be made temporarily available to incoming miners but there is plenty of owner-occupied property to be purchased in the Selby area, if the Board could provide mortgage assistance (for which they in any case have existing arrangements and facilities, partly with European Community assistance).

Question: What about the cost of transfer as it might affect an individual working miner?

Answer:

Substantial and beneficial transfer arrangements already exist within the mining industry and are made available in any case when there is a colliery closure. This could be made available for these special transfers to North Selby.



File

7

PRIME MINISTER

To note

AT
6/6

M

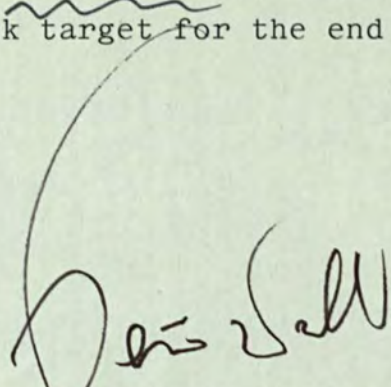
COAL STOCK REBUILD AT CEGB POWER STATIONS

with AT?

I wrote to you on 23 April enclosing charts of forecast weekly deliveries of coal to CEGB power stations and the expected pattern of stock build to the end of October.

I now enclose revised charts which show how deliveries of stocks during the first nine weeks of the financial year have compared with forecast.

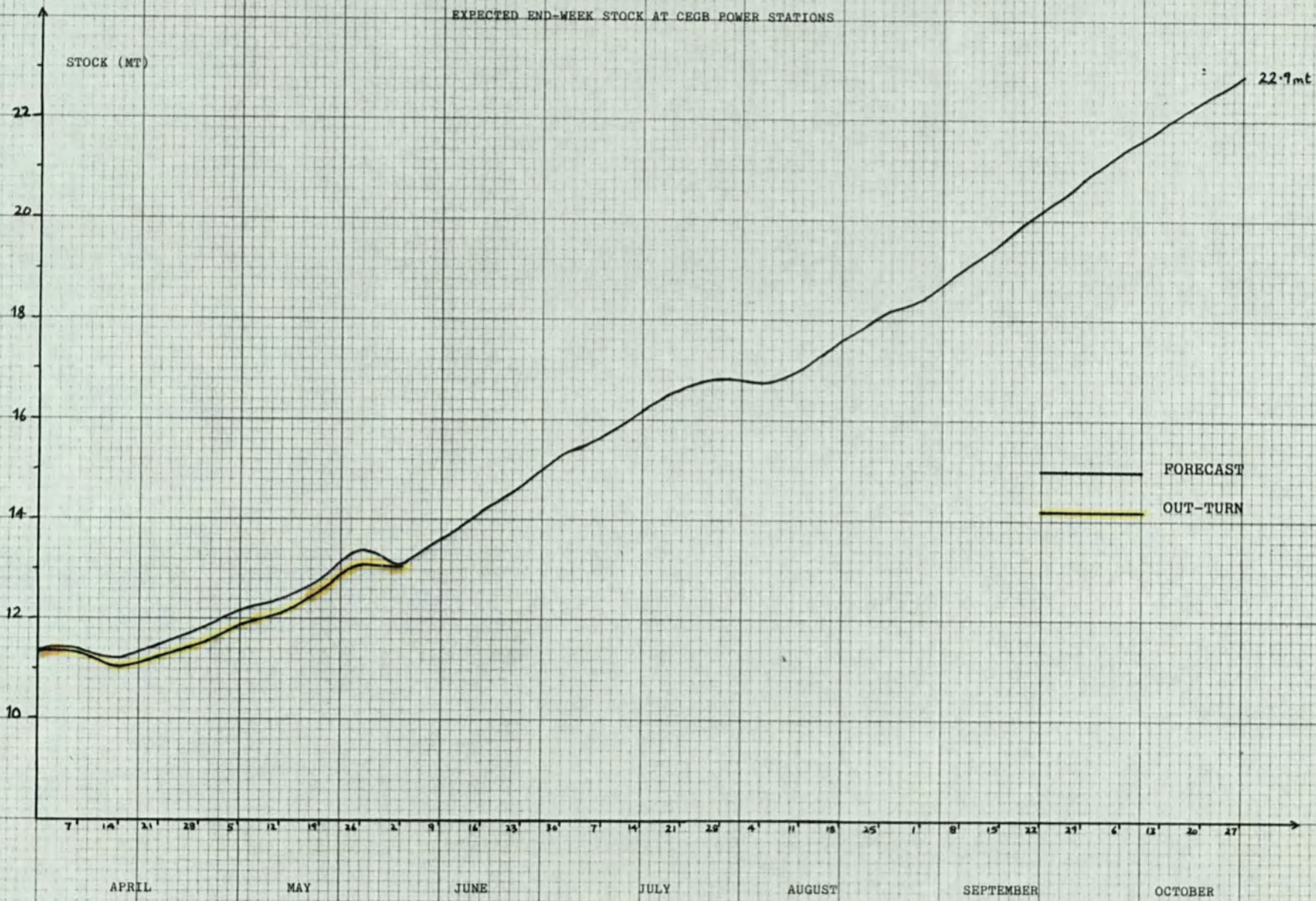
As you will see the actual deliveries of coal achieved have been above expected levels. However, this has been offset by increased levels of coal burn, leaving coal stocks fractionally below target at present. The reasons for the increased consumption are principally the cooler than expected weather in April and May and also a slight reduction in the nuclear output. For the rest of the summer nuclear output is expected to return to target levels and transfers of electricity from Scotland started flowing on Monday, 3 June. These improvements, together with the warmer weather, should mean continuing satisfactory progress towards the stock target for the end of October.



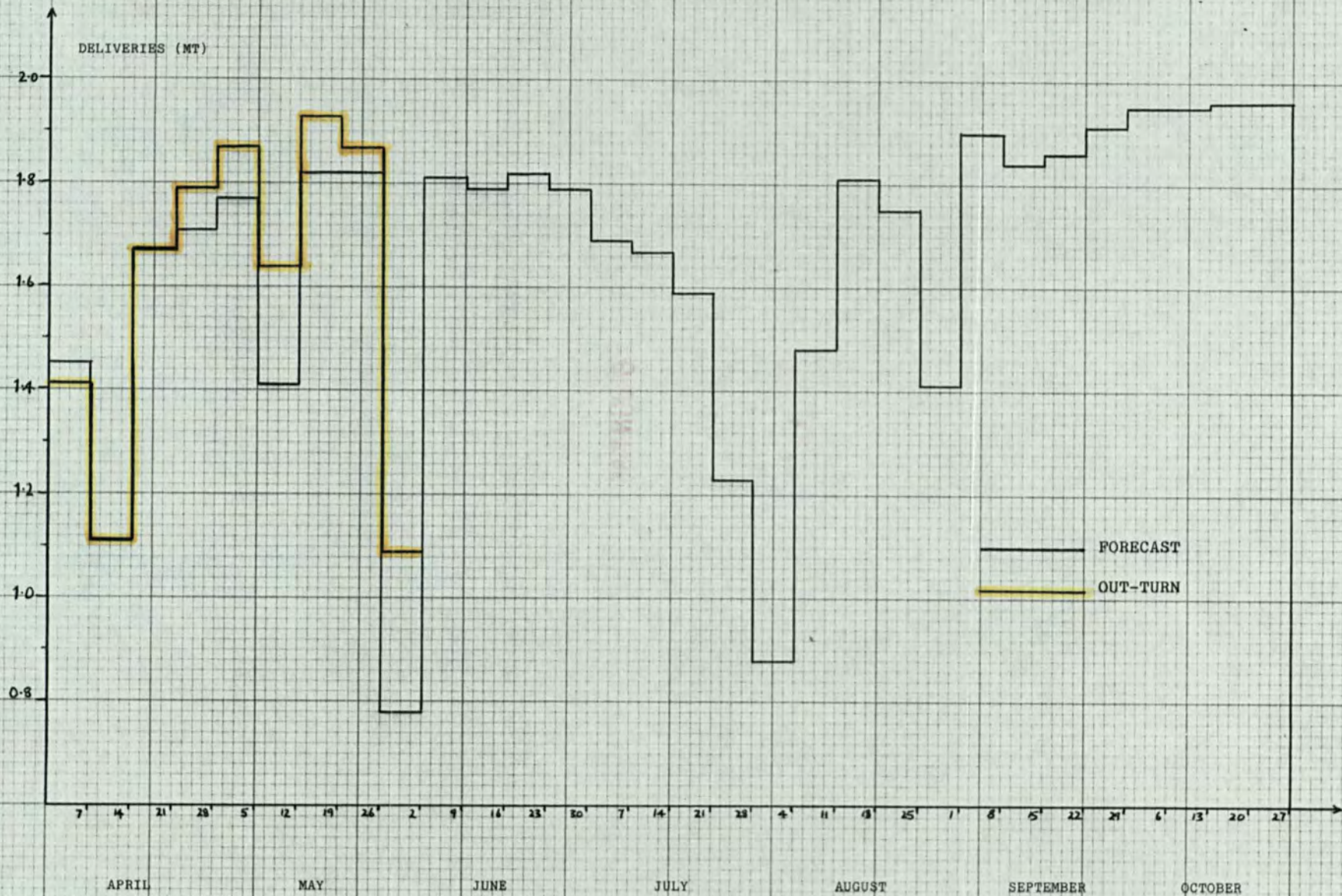
SECRETARY OF STATE FOR ENERGY

6 June 1985

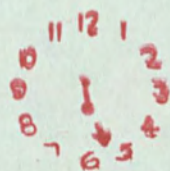
EXPECTED END-WEEK STOCK AT CEGB POWER STATIONS



EXPECTED WEEKLY DELIVERIES TO CEGB POWER STATIONS



6 JUN 1985





For 13/6
meeting

cc 100.

66

CONFIDENTIAL

PRIME MINISTER

OPENCAST COAL ACT 1958

We are to meet on 13 June to discuss Sir Robert Armstrong's minute of 21 May. Since I have both economic and planning responsibilities (and some constituency experience involving proposed opencast working near a national park!), it may be helpful if I comment in advance.

While accepting that some local authorities may obstruct plans for opencast workings for political reasons, it has also to be recognised that these operations bring noise, dirt and additional heavy traffic to the locality, as well as income, jobs and eventual improvement to the environment after the site has been completed. Local residents argue strongly that the coal should be got from somewhere else first. Politics aside, local planning authorities will always be under pressure to oppose.

But the question of how to secure a competitive coalfield in South Wales is also vitally important to me as Secretary of State. Opencast may well have a part to play in this. The Chairman of the NCB has spoken to me of the good market prospects for anthracite if it can be extracted in south west Wales and sold at a competitive price. We would all wish to see a successful development, and I have told him that I will give all help I can in reaching speedy planning decisions, and that the transfer of powers will assist by enabling me to balance all the conflicting environmental, economic and political requirements. My department is in touch with the South Wales Area of the NCB to discuss future plans for exploiting the anthracite reserves, and it is clear from these how important the development could be for resisting import penetration.

The previous system, under which my officials acted as agents of the Department of Energy under the Opencast Coal Act 1958 was neither quick nor convincing in Wales. The new system does, I believe, enable me to assure Peter Walker that the powers will be used in Wales so as to minimise delay, as he asks. Under it, the NCB could in any case appeal against rejection by a local authority, or against failure to determine the application within a reasonable time. But if that were not enough, my department can intervene. In many cases - anthracite may well be one - there will be obvious grounds for my swiftly calling in applications, especially where there is excellent market for the coal which might be damaged or lost through delay. Indeed, I should expect to do so wherever national interests of that kind were so clearly at stake, of course consulting Peter Walker in cases of importance. So far as Wales is concerned, I believe that the transfer of responsibility will expedite

/decisions, but not ...



decisions, but not put the NCB at a disadvantage, and I am strongly in favour of continuing with it: and removing the requirement for authorisation as well as planning consent by repealing the relevant provisions of the Opencast Coal Act as soon as possible.

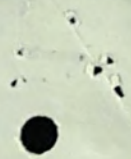
/ I am sending copies of this minute to the Lord President; the Secretaries of State for the Environment, Energy and Scotland: and Sir Robert Armstrong.

6 June 1985

RNE

R N E

Mat Ind : Coal Pt 18.



CONDENSED

18

18



SECRET AND PERSONAL

N/S PM

AT 4/6

TOTAL COPIES 17

COPY No. 1

6

PRIME MINISTER

LESSONS OF THE 1984-85 MINERS' STRIKE

I have seen a copy of the report of the Official Group on Coal (MISC 57) which Sir Robert Armstrong sent you on 20 May.

2 I am content with the follow-up action proposed.

3 I am copying this minute to the Lord President, Home Secretary, Chancellor of the Exchequer, the Secretaries of State for Energy, Defence, Scotland, Wales, the Environment, Employment and Transport, the Attorney General and to Sir Robert Armstrong.

NT

N T

6 June 1985

Department of Trade and Industry

JH2AUA

NAT IND, COAL
PT 17, 18

0
1
2
3
4
5
6
7
8
9
A
B
C
D
E
F
G
H
I
J
K
L
M
N
O
P
Q
R
S
T
U
V
W
X
Y
Z

6 JUN 1985

bc P. Warry
R. Hatfield

10 DOWNING STREET

From the Private Secretary

6 June 1985

De Daria,

INDUSTRIAL RELATIONS LEGISLATION: NUM RULE BOOK

The Prime Minister held a meeting today to discuss the NUM rule book and its implications for future industrial relations legislation. Present were the Secretaries of State for Energy, Trade and Industry and Employment and the Attorney General. Also present was Mr Warry.

The Secretary of State for Employment said that if the rule book were passed it would contain a number of offensive provisions. He did not think Ministers could campaign against it nor could the Government introduce legislation pre-emptively but it should itself be in a position to react quickly if necessary. The Secretary of State for the Environment said it was unclear whether the rule book would be adopted. The NCB had initially expected it to be defeated but now felt that it might succeed but that this would produce a split in the union. If this did occur it would be desirable for other productive pits such as Selby to be allied to the moderates.

In discussion, it was noted that the draft rules would allow the NUM executive to call any strike short of a full national strike without a ballot. This would not be prevented by the 1984 legislation though such strikes would not attract immunity. Another worrying development was that men no longer working in the coal industry were allowed to be members and to vote in ballots, though to secure immunity a strike ballot had to be confined to those being called out. Other features of the rule book attempted to oust common law rights.

The Prime Minister thought that unions should enjoy immunities only if their rule book conformed to certain principles (it was noted that the 1984 Act made a start in this direction). The Government could set out model rules for unions, analagous to Table 'A' rules for companies. This would entrench rights for individual members and prevent them from being oppressed by the union. It was noted, however, that it would be impossible in such model rules to anticipate every abuse.

Summing up the discussion, the Prime Minister said it was not clear whether the new NUM rule book would be adopted but work should start now against that contingency. The Department of Employment, in consultation with the Solicitor General, should prepare a paper setting out model rules to which union rule books would have to conform if immunities were to be retained. Before discussion was widened to consider all the issues raised in the Secretary of State for Employment's paper of 5 June, the group should reconvene in about two weeks to consider the paper on model rules.

I am copying this letter to Geoff Dart (Department of Energy), John Mogg (Department of Trade and Industry) and Henry Steel (Law Officers' Department). I would be grateful if this letter and work stemming from it were confined to those who strictly need to be involved.

Your sincerely

Andrew Turnbull

Andrew Turnbull

David Normington Esq
Department of the Employment

SMH

SECRET

19 CAVENDISH AVENUE
LONDON NW8 9JD
01-286 9020

Ph & Minister - to see
No reason to take this
case up specifically with
Mr. MacGregor, I think. He
knows that you are being informed
about, and taking an interest in
5th June 1985
all W.W.'s case

For PM
LA

PERSONAL & CONFIDENTIAL

I. MacGregor, Esq.,
Chairman,
NCB,
Hobart House,
Grosvenor Place,
London SW1.

I must have
The Macgregor &
Peter Walker & I
think in to No 10
together with
John Wilson
We must
get to the
bottom of
what case
I want
reaction
this one
and

[redacted] rang me last night. She is the lady
who has a husband working at Renshaw Park Colliery
where he is victimised daily but is nevertheless
prepared to go on working at that colliery. However,
the harassment is non-stop at their home. Bricks are
thrown through the window. One car was badly damaged.
But they got another one and that was damaged too.
They are woken in the middle of the night. There are
telephone calls of a nasty nature.

[redacted] She has had
to move him to a top back bedroom to avoid the bricks
regularly thrown through the windows in the night. He
has no view there.

[redacted] The nightmare life they lead
in this house and the strain put upon is
destroying the health of the husband and wife.

1..

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Note :-

I have spoken to Geoff Dart
and David Hunt, conveying the PM's request.
D/Energy have a copy of this letter from
Woodrow Wyatt.

FEB

10.6.

19 CAVENDISH AVENUE
LONDON NW8 9JD

01-286 9020

- 2 -

They bought _____ from the National Coal Board. They have their eye on a bungalow some miles away where they could live without harassment from their neighbours and the husband could continue to go to work daily. But they need to be able to sell their house back to the NCB in order to raise the money for the bungalow. They have asked the NCB to buy the house back. She told me that yesterday they were told there is no hope of the NCB doing that and they are not interested in helping her in her problems. That is the local management for you.

Are you surprised that with this sort of thing going on in many areas the working miners are determined never to help you again in a clash with Scargill? Could you please at least do something for Striking miners are given preference in houses and a poor working miner is unable to sell his house back to the NCB from which it was originally bought.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

PRIME MINISTER

NUM RULE BOOK

There are four issues for this meeting.

- (i) What are the features of the proposed NUM Rule Book that are objectionable? These are summarised on the first two pages of the paper attached to Mr Walker's minute of 26 April - flag A.
- (ii) What can Government do, or cause to be done, to promote opposition to the Rule Book? Overt action by Ministers is unlikely to be helpful but NCB or the various working miners' groups may be able to mobilise opposition.
- (iii) How far could the provisions of the NUM Rule Book be challenged in the court? The Lord Chancellor's minute of 8 May - flag B - indicates that some of the rule changes are likely to be found void on grounds of public policy. The issue would be who should be inspired to bring the challenge in the courts. Mr King's minute of 24 May - flag C - suggests that the powers being sought by the NEC to call strikes short of a national strike would fall foul of the 1984 Act.
- (iv) If the new Rule Book were to be adopted the Government would need to consider changes in legislation to counter some of its provisions. Mr King's paper of 5 June - flag D - indicates some of the possibilities, see pages 4-6.

AT

ANDREW TURNBULL

5 June 1985

NOTE FOR THE RECORD

COAL INDUSTRY

Following the meeting on the Chairmanship of UKAEA, the discussion turned to the coal industry. Mr Walker said that Mr MacGregor had received favourable reports about Mr Michael Bishop, the Managing Director of British Midland Airways and was considering recommending him as a non-executive Director. The Prime Minister said she knew Mr Bishop and had a high regard for his ability but wondered whether he was right for the coal industry. Mr Walker said the Chairman of Dowty, Mr Morgan, had been commended to him. Mr Morgan had a background in the mining industry and Mr Walker would investigate him further.

The following issues were also raised:

- (i) Mr Walker said he had raised Sir Woodrow Wyatt's letter with Mr MacGregor. This was being acted upon.
- (ii) Mr Hunt had had dinner with Mr Moses and had concluded that he was bright and able but not of the calibre required for a Chairman.
- (iii) It seemed likely that a number of senior managers at NCB had actively colluded with NACODs during the course of the recent dispute.
- (iv) The Prime Minister asked whether NCB was prepared to offer Emly Moor to the miners who were offering to take it over as a cooperative. Mr Walker said the pit was geographically unsuitable but a neighbouring pit was a possibility.



ANDREW TURNBULL

5 June 1985



SECRET

HOUSE OF LORDS,
SW1A 0PW

5 June 1985

20 OF 20

Dear Tom:

REVISION OF THE NUM RULE BOOK

(meeting folder)
with AT

Your Private Secretary's comments in his letter of 24th May 1985 consider the NUM's proposed rule 26 (which restricts the power to authorise official strike action to the NEC alone) with suspicion that it may be designed -

- (a) to prevent areas rejecting a strike call when an area ballot has gone against it; or
- (b) to empower the NEC to call all areas out without a national ballot at all.

He notes that if the NEC took the latter course, whilst it would forfeit its immunity from legal action, the strike called might get considerable support.

I see another purpose behind this rule change. It concerns the possible exclusion of the union at national level from liability in tort for damage caused by industrial action taken without express central authority. (I note for completeness that individual area mining unions may well have autonomy as to their own rules; their own principal executive committees; and their own consequential liabilities in tort.)

Section 15 of the Employment Act 1982 (of which I attach a copy for ease of reference) deals with the liability of trade

The Right Honourable
Tom King, M.P.,
Secretary of State
for Employment.

/unions for actions

SECRET

SECRET

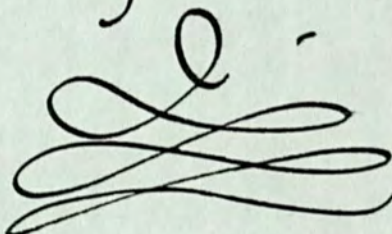
-2-

unions for actions in three situations but the section restricts that liability to acts authorised or endorsed by "a responsible person" as defined in subsection (3). Finally section 15 includes provision concerning repudiation or refusal of authorisation or endorsement.

The proposed new rule 26 may well be intended to show a repudiation or refusal of authority which is sufficient under section 15 to exclude the union at national level from liability for damage caused by industrial action taken for the purposes of these rules without express central authority: the draft rule could be a curtain designed to prevent access by the courts to the union or its funds at national level except where the strike action is called by the NEC itself.

I am copying this letter to the Prime Minister, to other Cabinet colleagues and to Sir Robert Armstrong.

YRS :

A handwritten signature consisting of a large, stylized 'L' followed by several loops and a horizontal line.

SECRET

action is taken ; and
 be adversely affected by the

be actionable accordingly
 incidents applying to actions

the 1974 Act shall prevent
 any case where a person
 er—

to which that other person
 ntract to which that other
 rty, any term or condition
 d by virtue of section 12(1)

or 13(2) ;
 of a number of acts which
 r attempted inducement.

1974 Act shall prevent an
 y (whether or not under a
 an reasonably be expected
 onable in tort in any case
 sified and one of the facts
 blishing liability is that any

contract of employment or
 other to interfere with its

of employment under which
 l will be broken or its per-
 , or that he will induce
 t of employment or to inter-

asons, for doing the act is
 lone in connection with the
 rvices in question has been,
 persons (other than persons
 employer) who are not mem-
 a particular trade union ;

asons, for doing the act is
 or is likely to be, done by
 is employed by the relevant
 ers of trade unions or of a

(c) the supplier of the goods or services in question is not the relevant employer and the reason, or one of the reasons, for doing the act is that the supplier does not, or is not likely to, recognise, negotiate or consult as mentioned in section 13.

(4) In subsection (3) above "the relevant employer" means the employer under the contract of employment mentioned in subsection (2) above.

Trade disputes

15.—(1) Section 14 of the 1974 Act (immunity for trade unions and employers' associations from certain actions in tort) shall cease to have effect. Actions in tort against trade unions and employers' associations.

(2) Where proceedings in tort are brought against a trade union—

(a) on a ground specified in paragraph (a) or (b) of section 13(1) of the 1974 Act ; or

(b) in respect of an agreement or combination by two or more persons to do or to procure the doing of an act which, if it were done without any such agreement or combination, would be actionable in tort on such a ground ;

then, for the purpose of determining in those proceedings whether the union is liable in respect of the act in question, that act shall be taken to have been done by the union if, but only if, it was authorised or endorsed by a responsible person.

(3) For the purposes of this section, but subject to subsection (4) below, an act shall not be taken to have been authorised or endorsed by a responsible person unless it was authorised or, as the case may be, endorsed—

(a) by the principal executive committee ;

(b) by any other person who is empowered by the rules to authorise or, as the case may be, endorse acts of the kind in question ;

(c) by the president or general secretary ;

(d) by any other official who is an employed official ; or

(e) by any committee of the union to whom an employed official regularly reports.

(4) An act shall not be taken, by virtue of subsection (3)(d) or (e) above, to have been authorised or endorsed by a responsible person if—

(a) that person was, at the time in question, prevented by the rules from authorising or endorsing acts of the kind in question ; or

- (b) the act has been repudiated by the principal executive committee or by the president or general secretary.
- (5) For the purposes of subsection (4)(b) above, an act shall not be treated as repudiated unless—
- (a) it is repudiated as soon as is reasonably practicable after the purported authorisation or endorsement of the act has come to the knowledge of the principal executive committee or, as the case may be, of the president or general secretary; and
 - (b) the person who purported to authorise or endorse the act has been notified in writing and without delay that it has been repudiated.
- (6) An act shall not be treated as repudiated, notwithstanding subsection (5) above, if at any time after the union concerned purported to repudiate it the principal executive committee or president or general secretary has behaved in a manner which is inconsistent with the purported repudiation.
- (7) In this section—
- “general secretary” means the official of the union concerned who holds the office of general secretary or, where there is no such office, who holds the office which is equivalent, or the nearest equivalent, to that of general secretary;
- “official” means an official of the union concerned; and
“employed official” means, in relation to that union, an official who is employed by it;
- “president” means the official of the union concerned who holds the office of president or, where there is no such office, who holds the office which is equivalent, or the nearest equivalent, to that of president;
- “principal executive committee” means the principal committee of the union concerned exercising executive functions, by whatever name it is known;
- “rules” means the written rules of the union and any other written provisions forming part of the contract between a member and the other members (or, in the case of a special register body, between a member and the body).
- (8) Where, for the purpose of any proceedings, an act is by virtue of this section taken to have been done by a trade union nothing in this section shall affect the liability of any other person in those or any other proceedings in respect of that act.

- 16.—(1) Subject to subsection (2) below, damages in tort brought against a trade union shall not be awarded against the union if the proceedings shall not exceed the amount specified in subsection (3) below.
- (2) Subsection (1) above does not apply to proceedings—
- (a) for any of the following purposes, that is to say, for the purpose of recovering a sum of duty; or
 - (b) without prejudice to the provisions of section 15 of the Act of 1974, for the purpose of recovering a sum of duty in connection with the possession, control or enjoyment of land, or in Scotland, for the purpose of recovering a sum of personal or, in Scotland, realisable property.
- (3) The appropriate limit of damages shall be—
- (a) £10,000, if the union concerned has fewer than 5,000 members;
 - (b) £50,000, if it has 5,000 or more members but fewer than 25,000 members;
 - (c) £125,000, if it has 25,000 or more members but fewer than 100,000 members;
 - (d) £250,000, if it has 100,000 or more members.
- (4) The Secretary of State may by order made under section 1(2) of the Statutory Instruments Act 1946 vary the sums for the time being specified in subsection (3) above.
- (5) An order under subsection (4) above—
- (a) shall be made by statutory instrument in pursuance of section 1(2) of the Statutory Instruments Act 1946 and shall be subject to annulment in pursuance of section 4(2) of that Act by a resolution of either House of Parliament; and
 - (b) may make such transitional provisions as the Secretary of State considers appropriate.
- (6) In this section—
- “duty” means a duty imposed by or under any enactment;
- “personal injury” includes any loss of or damage to a person's property;
- (7) For the purposes of this section a trade union consists wholly or in part of representatives of organisations, the members of which are persons who are treated as having their head or headquarters in Great Britain or who are treated as members of the union.
- 17.—(1) Where in any proceedings damages, costs or expenses are awarded—
- (a) against a trade union;
 - (b) against trustees in connection with the affairs of a trade union or against a person acting in a capacity as such and in respect of a trust on their part.

-6 JUN 1985





10 DOWNING STREET

From the Principal Private Secretary

5 June 1985

I enclose a copy of a letter from Sir Woodrow Wyatt to Mr. MacGregor, about which we spoke this morning. As you will see, the Prime Minister has asked me to contact Mr. MacGregor immediately about _____ and the others on the list. Since you are in touch with Mr. MacGregor about these cases and your Secretary of State is seeing him this afternoon, we agreed that it would be best if your Secretary of State were to raise this with Mr. MacGregor; but he could certainly say that he has been asked by the Prime Minister to do so.

Since Sir Woodrow Wyatt's letter is marked "Strictly Personal and Confidential", I should be grateful if you could ensure that it does not go beyond your office and that of Mr. Hunt.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Geoff Dart, Esq.,
Department of Energy.



NBPM
AT
4/6

PRIME MINISTER

LESSONS OF THE 1984-85 MINERS' STRIKE

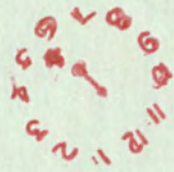
Sir Robert Armstrong's minute of 20 May invited endorsement of the matters identified for follow-up action in the report of the Official Group on Coal (MISC 57). I am pursuing those relevant to my Department, and I am otherwise content with what is proposed.

I am copying this minute to the Lord President, Home Secretary, Chancellor of the Exchequer, the Secretaries of State for Energy, Defence, Scotland, Wales, the Employment, Trade and Industry and Transport, the Attorney General and Sir Robert Armstrong.

PJ

P J
5 JUNE 1985

MAT IND Cal: P 17.



-5 JUN 1985-

COMMERCIAL



NBPM AT 10/6

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

SECRET AND PERSONAL

PRIME MINISTER

LESSONS OF THE 1984-85 MINERS STRIKE

Sir Robert Armstrong sent me a copy of his minute of 20 May covering a note from the Chairman of the Official Group on Coal (MISC 57) on the lessons of the 1984/85 miners strike. I endorse the points for follow-up action listed at the ends of sections 2, 3 and 4 of the note by officials.

I am sending copies of this minute to the Lord President, the Chancellor of the Exchequer, the Home Secretary, the Secretaries of State for Energy, Defence, Wales, the Environment, Trade and Industry, Employment and Transport and the Attorney General, and to Sir Robert Armstrong.

G.Y.

G.Y.

4 June 1985

REPT. OF THE
COMMISSIONERS OF THE
LAND OFFICE

Rec'd

10/6/85.



19 CAVENDISH AVENUE
LONDON NW8 9JD

01 286 9020

Prime Minister -
to see

PM
AM
W/S

STRICTLY PERSONAL & CONFIDENTIAL

4th June 1985

I. MacGregor, Esq.,
Chairman,
NCB,
Hobart House,
Grosvenor Place,
London SW1.

Robin - please
contact Mr. Inge
immediately about

Dear Ian MacGregor,

I had another visit from working miners last night. It seems quite clear that local management is not always carrying out instructions from above.

For example, _____ at Barnborough Colliery has been told to report for interview on Friday to receive his redundancy papers. He does not want redundancy he wants a transfer, preferably to Selby. He is aged thirty-three and does not want to be thrown out of the coal industry. Like other working miners he has observed the preferential treatment given to the striking miners.

rotten
with
MF

I think you have already had a list of some twenty-four young working miners all threatened with redundancy because they want to have a transfer away from the pits where their life has been made unbearable and where local management does nothing to stop the harassment. I now enclose a new list of men between the ages of thirty and forty who have been told that they are not to be allowed transfers to other pits but must apply for redundancy if they are not prepared to be victimised for the rest of their working lives. The enclosed list is (A).

/ ..

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

19 CAVENDISH AVENUE
LONDON NW8 9JD

01-286 9020

- 2 -

I do hope that effective action will be taken with local management to allow all those young men on the List (A) to be allowed to transfer rather than to continue in the hell that their work is at the moment. They have all been told that if they are not prepared to live in hell at their present pits they must be made redundant. I am sure you will agree this is a monstrous betrayal of your working miners.

There is one case that I feel something particularly ought to be done about. In Yorkshire he persuaded thousands of miners back to work long before the strike ended. He was then the darling of the Coal Board. He had an excellent job on the wages side. He has now been removed from that job and is earning £85.00 a week less. He wanted a job in Selby but was refused it. This poor man who did so much for you and the Coal Board is now being forced to give up his motor car which was his pride, for he cannot maintain the instalments owing to the savage cut in pay inflicted on him by the Coal Board in return for all he did for them. Incidentally for the last month his take home pay has been a total of £257 after deductions. The man to whom his job was given received £900 in the same period. How can we expect people who helped so loyally ~~who~~ ^{to} Scargill's strike a failure to do it again after the promises of the Coal Board to look after the working miners are so blatantly being broken?

I understand that Garfield Main, Yorkshire is under consideration for closure. You may be interested to know that according to my information the manager ^{is} ~~supplied~~ ^{supplied} the NUM with as much information, figures, etc. as he can for them to be able to fight the closure. I think you must face it a lot of your local management are not in accord with your policies and in cahoots with the local NUM.

/...

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

19 CAVENDISH AVENUE
LONDON NW8 9JD

01-286 9020

- 3 -

Scargill is working very hard to organise a disciplined union to fight for revolution not only in the coal industry but in other industries. Our friends who would combat him are being deliberately disillusioned by local Coal Board management. I had several letters from working miners and their wives saying that after the Coal Board's treatment at the end of the strike they would never cross a picket line again.

*Yours sincerely
Woodrow Lyall*

P.S. This morning I spoke to _____ and told him to refuse to accept redundancy at the interview to process his redundancy he has been called to on Friday at 9.30 am. I shall advise any other working miners now being sacked by local management to do the same.

Etc.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1581</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Annex A to Woodrow-Wyatt to McGregor dated 4 June 1985</i>	
CLOSED FOR <i>70</i> YEARS UNDER FOI EXEMPTION	<i>12/3/2024</i> <i>S. Gray</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

Instructions for completion of Dummy Card

Use **Black Pen** to complete form

Use the card for one piece/item number only

Enter the Department, Series and Piece/Item references clearly
e.g.

DEPARTMENT/SERIES <i>GRA 168</i>
PIECE/ITEM <i>49</i> (ONE PIECE/ITEM NUMBER ONLY)

Please Sign and Date in the box adjacent to the description that applies to the document being replaced by the Dummy Card

If the document is Closed under a FOI exemption, enter the number of years closed. See the TNA guidance *Preparation of records for transfer to The National Archives*, section 18.2

The box described as 'Missing' is for TNA use only (it will apply to a document that is not in its proper place after it has been transferred to TNA)

②
PRIME MINISTER

NACODS OVERTIME BAN

Peter Walker's office have phoned through the following report. Mr. Cowan and Mr. Eaton met Mr. McNestry and Mr. Sampey. They have reached an agreement which will permit NACODS to call off its overtime ban from tonight. This will be announced tomorrow when branches have been informed though it will quite likely leak before then.

Before the meeting the Board had agreed to withdraw the 27 March letter and had agreed that all closures should go through the review procedure. The following further points have been agreed.

- (i) The actions taken by the Board to date would be regarded as a fait accompli, eg progressive closure of Horden and Bates collieries will be allowed to proceed.
- (ii) There would be a general form of words recognising that uneconomic pits must close in the interests of the industry.
- (iii) The Board will lift its action on denying bonuses and will pay back any bonuses withheld so far.
- (iv) On the so-called status quo agreement, the Board has agreed that there will be no substantial reduction of manpower once a closure has been signalled though a limited run-down will be allowed where the other unions are not opposing the closure. For NACODS this means that the Board will not pre-empt the review procedure by taking all the men out before the process is complete and for the Board this means that opposition by NACODS will not prevent men in other unions from applying for redundancy or transfers.

4 June 1985

VC3ADZ

3 June 1985

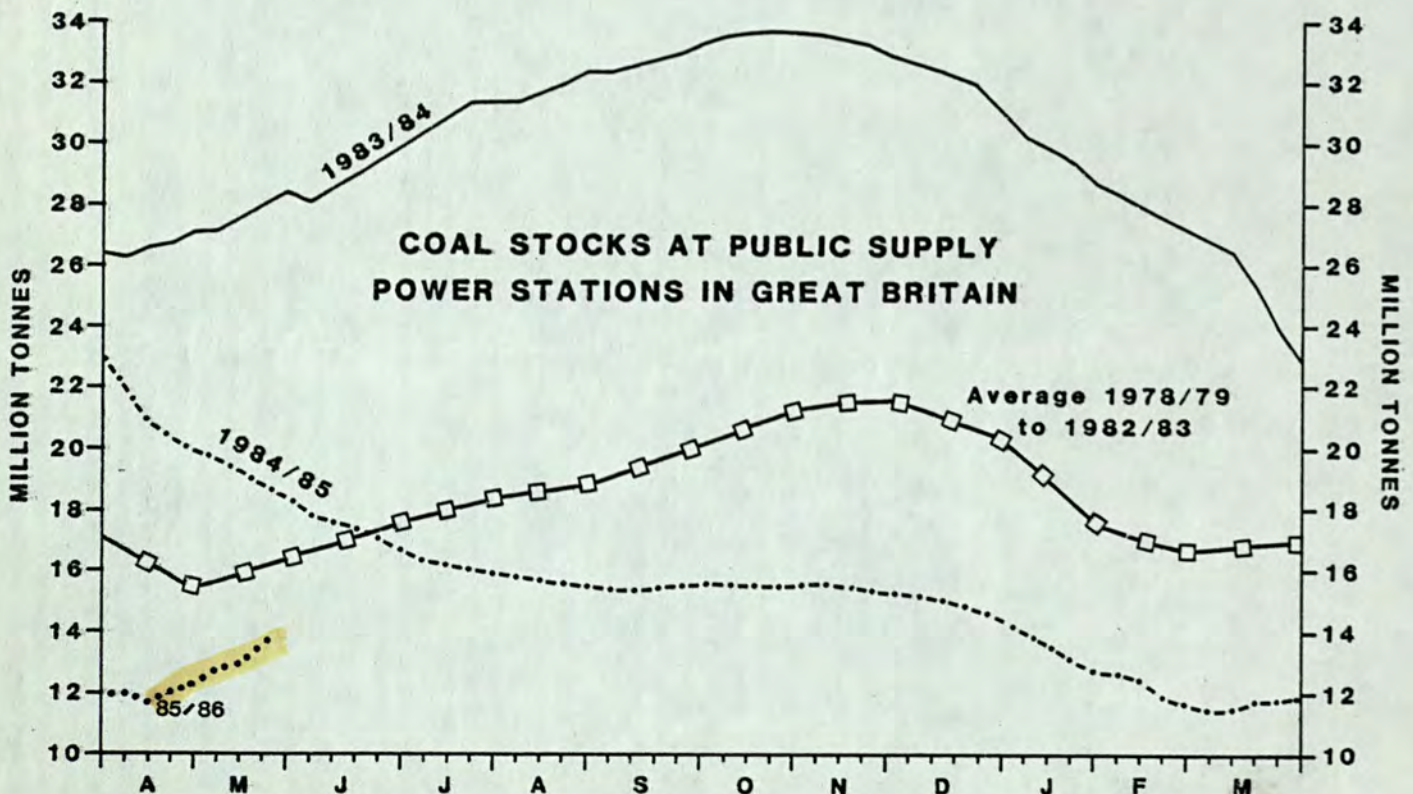
WEEKLY COAL AND POWER STATION STATISTICS (1)

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

Week ending 21.5.83 19.5.84 27.4.85 4.5.85 11.5.85 18.5.85
(5)

COAL			21.5.83	19.5.84	27.4.85	4.5.85	11.5.85	18.5.85	
COAL	PRODUCTION	deep mines+	2.24:	0.46:	1.67	1.71	1.45	1.79	
	(m. tonnes)	opencast+	0.31:	0.33:	0.36	0.31	0.27	0.32	
		TOTAL	2.55:	0.79:	2.03	2.02	1.72	2.11	
COAL	PRODUCTIVITY(2)	'overall'	2.61:	2.24:	2.31	2.38	2.41	2.54	
	(tonnes/manshift)	'production'	11.15:	10.80:	10.35	10.55	10.73	11.26	
UNDISTRIBUTED STOCK									
	(m. tonnes)	TOTAL	25.55:	22.15:	17.69	17.35	17.00	16.55	
POWER STATIONS	COAL STOCKS	(m. tonnes)	27.99:	18.82:	12.33	12.79	13.09	13.67	
	COAL CONSUMPTION	"	1.42:	0.83:	1.66	1.62	1.49	1.55	
	COAL RECEIPTS	"	1.91:	0.46:	1.99	2.08	1.80	2.12	
	OIL STOCKS(3)	"	1.03:	0.81:	1.07	1.05	1.04	1.01	
	OIL CONSUMPTION(3)	"	0.09:	0.38:	0.03	0.03	0.02	0.03	
	OIL RECEIPTS(3)	"	0.05:	0.45:	0.01	0.01	-	-	
	ELECTRICITY SUPPLIED (4) (GWh)								
		Nuclear	"	671:	820:	916	1,021	1,002	902
		Other Steam	"	3,552:	3,429:	3,952	3,735	3,419	3,634
		TOTAL	"	4,223:	4,250:	4,868	4,756	4,421	4,536
TOTAL - temperature corrected		"	4,134:	4,141:	4,544	4,628	4,315	4,502	

- (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.
 (5) Includes May Day Bank Holiday.
 .. data not yet available. + includes licensed production.



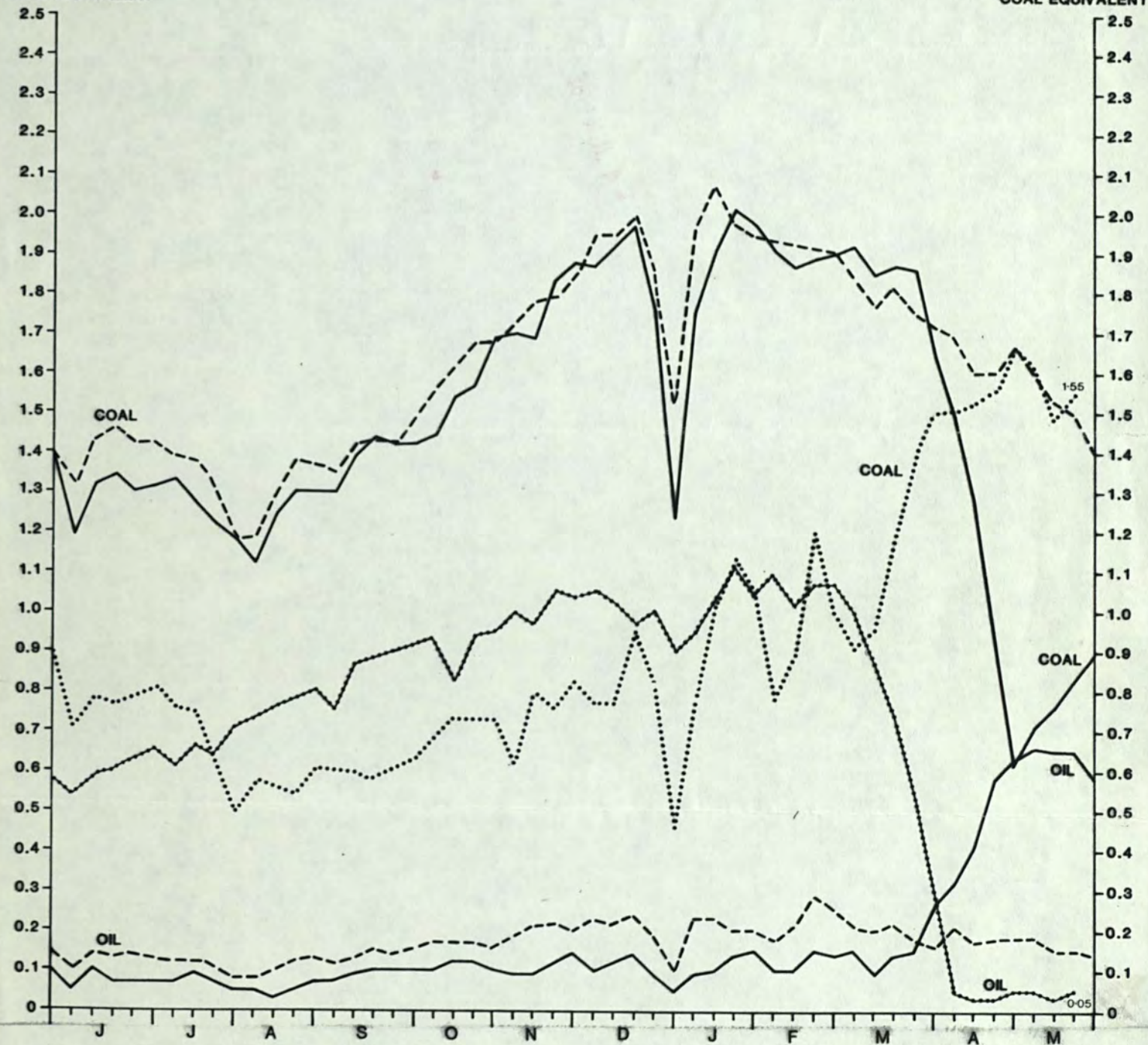
CONFIDENTIAL

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

COAL } June 84 to May 85
OIL }
———— June 83 to May 84
- - - - Average 1978/79 to 1982/83

MILLION TONNES
OF COAL OR
COAL EQUIVALENT

MILLION TONNES
OF COAL OR
COAL EQUIVALENT



CONFIDENTIAL

E4 JUN 1985

11 12 1 2 3 4
9 8

PART 17 ends:-

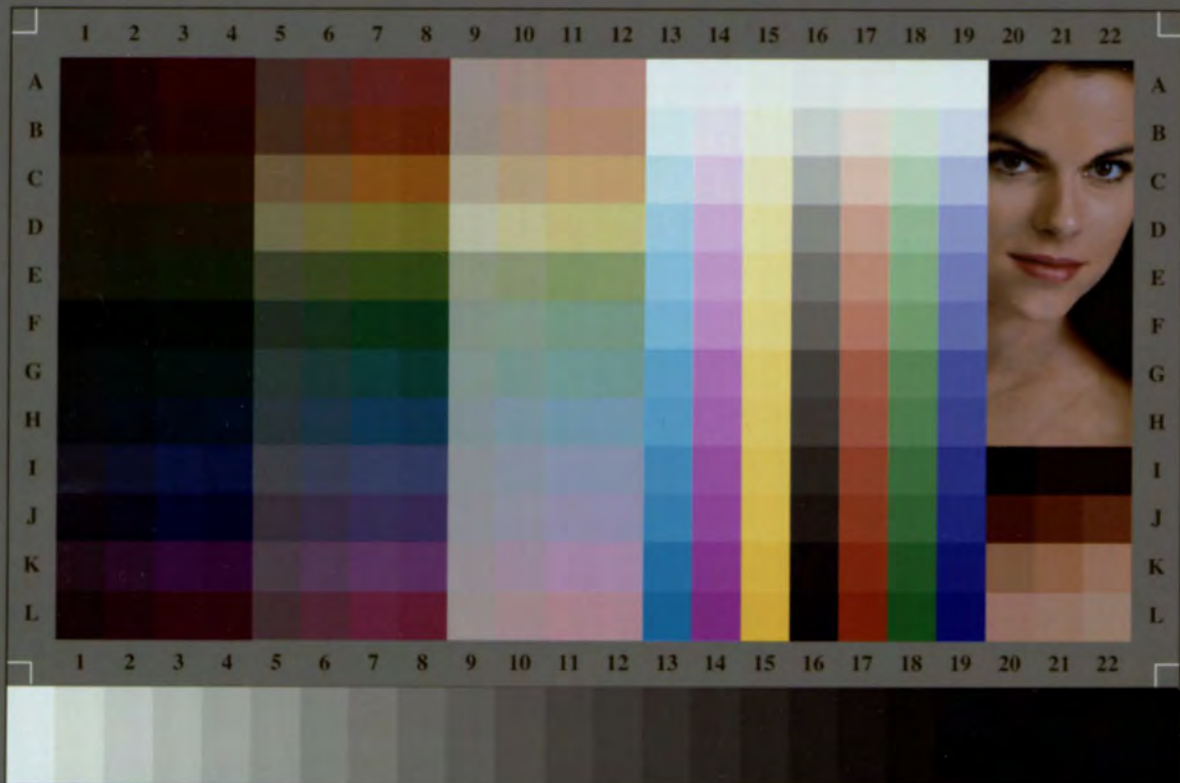
Home Sec to PM 3.5.85

PART 18 begins:-

~~At to PM 11.6.85~~
Weekly Coal + Power Station
Stats. 3/6/85.

KODAK Q-60 Color Input Target

C M Y



IT8.7/2-1993
2007:03

[FTP://FTP.KODAK.COM/GASTDS/Q60DATA](ftp://ftp.kodak.com/gastds/q60data)

Q-60R2 Target for
KODAK
Professional Papers

