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SUMMARY OF THE MEETING BETWEEN THE BOARD AND THE NATIONAL EXECUTIVE  
OF THE NUM ON 23RD MAY 1984

The full Executive of the union attended, with the exception of Mr. Chadburn who was, presumably, in court. The two MP ex officio members, Mr. Eadie and Mr. Ellis, were present.

The meeting was held in Room 16. The members of the NUM Executive arrived early and held a meeting among themselves to agree their tactics for the meeting. When the Board side arrived, they were asked not to enter the room until the NUM's meeting had finished, at about 2.35.

At the beginning of the meeting, Mr. MacGregor proposed that the Board should start with a series of presentations by Board officials in the usual way, beginning with a presentation by Mr. Parker on progress with Plan for Coal. Mr. Scargill did not object to this proposal.

Mr. Parker used a series of slides to demonstrate that actual investment under Plan for Coal had exceeded the original forecast; that the demand for total energy forecast in the Plan had fallen short by some 100m. tonnes of coal equivalent. He said that coal's share of the total market had been higher than expected, but even so the demand for coal in total was some 20m. tonnes below that anticipated. He said that the performance of the industry in terms of productivity and costs had fallen well below that planned, partly because the reduction in high cost capacity over the period had been less than had been projected. He concluded, however, that the principles of Plan for Coal remained unchanged: to build a new industry to replace the old.

Following the presentation, Mr. MacGregor asked whether the NUM had any questions or comments. Mr. Scargill said that the union had no comments to make.

Mr. Edwards then explained the Board's latest view of the current and prospective market situation in the short and medium term. There was no reason to change the main lines of what had been said to the union in March: if costs could be controlled then the industry should look forward to a more stable market situation. There had been, in the latter part of the previous year, encouraging signs of stability.

Mr. Edwards showed slides indicating his current view of the underlying rate of disposals, after discounting the effects of the problems of the overtime ban and strike, showing a current potential demand of 113 1/4m. tonnes, including opencast.

Mr. Edwards went on to deal with the potential for growth if the price of coal could be reduced in real terms and relative to the costs of other forms of electricity generation. He referred to the special problems that would arise in convincing customers in the future that they could rely on security of supply. The current experiences of BSC would create a particular problem in securing an extension of the Board's present contract. In general, companies considering conversion needed to look for a two-year payback on their investment, and security of supply, and it was vital to give them this assurance if new business was to be obtained.

At this point in the presentation, at about 3.00 p.m., Mr. McGahey was ostentatiously reading his newspaper.

Mr. Edwards concluded by referring to the vital importance of the understanding with CEGB: providing this could be retained, he was confident that more coal could be sold in 1990 than the present underlying potential demand, but this depended on the industry getting its house in order.

At the end of this presentation, Mr. MacGregor again asked if there were

any questions or comments: Mr. Scargill said that the NUM had no comments to make.

Mr. Butler then summarised the provisional financial results for 1983/84. He said that, subject to the final preparation of the accounts, it appeared that the industry's deficit, before deficit grant, was likely to be £875m, or £400m., worse than in the previous year, of which nearly £200m. could be attributed to the cost of the overtime ban and the strike in March. The cash flow position had been controlled, however, and the Board had lived within the Government's cash limit of £1195m. Even so, the cash requirement had been some £200m. greater than in the previous year. Because of the industrial relations problems, only £720m. of capital investment had been carried out, compared with the plan of some £800m. Mr. Butler said it was, of course, too early to make any comment on the potential outturn for 1984/85.

At the end of the presentation, Mr. MacGregor asked if there were any questions or comments. Mr. Scargill said that there were no comments from the NUM.

Mr. Price then described the physical problems being encountered at collieries where there was no production. Conditions were seriously deteriorating on many faces and, in particular, he referred to those at Barony, Comrie and Seafield in Scotland; Brodsworth, Highgate, Markham and Askern in Doncaster; Renishaw Park, Shirebrook and Warsop in Derbyshire; Bold in Lancashire; and Betteshanger and Tilmanstone in Kent. There had been serious crushing of roadways at a number of collieries, including Seafield, Brodsworth, Markham, and Dodworth in Barnsley, and Sutton Manor in Lancashire. Where spontaneous combustion was a problem the incubation period for fires was now well advanced and, in his view, it was only a combination of luck and management skill that had saved Rossington Colliery.

Mr. Cowan referred to the Board's concern about the deterioration of collieries on strike and said that they would like to have the chance of discussing with the union what could be done to ensure that collieries were kept

in a physical state that would enable them to be reopened when the present problems were over. The Board were ready and willing to discuss such problems with the union.

Following this presentation, Mr. MacGregor again asked Mr. Scargill whether the union had any questions or comments. The union had no comments to make.

Mr. MacGregor then asked Mr. Scargill whether he wished to make a contribution to the meeting.

Mr. Scargill said that the industry was facing the most serious crisis since the end of the second world war. Mr. MacGregor had announced the Board's intention of closing 20 collieries and making 20,000 men redundant. Added to this, the previous Chairman had announced on 14th June 1983 the intention to take out 25m. tonnes of capacity. Both these statements were in complete contradiction to the intentions of Plan for Coal: Plan for Coal did not talk about closure of collieries on economic grounds.

Mr. Scargill said that the only way to resolve the present dispute was for the Board to withdraw their plan for colliery closures. If that were done, there was no reason why the NUM and the NCB could not meet to discuss the expansion of the industry. He asked whether the NCB were prepared to withdraw their closure programme and discuss sensibly the expansion of the industry.

Mr. MacGregor said he had no comment.

Mr. Cowan asked Mr. Scargill to repeat the precise words of his statement, which Mr. Scargill then did. Mr. Cowan said that he would be prepared to sit down with Mr. Scargill, Mr. McGahey and Mr. Heathfield to discuss ways of advancing the principles of Plan for Coal, if such a discussion could take place without prior commitment on either side. He would be prepared to make himself available at any time. Asked by Mr. Scargill if this meant

that the Board were prepared to withdraw their closure plan, Mr. MacGregor said that this was not what was being offered: Mr. Cowan had offered to discuss Plan for Coal without pre-conditions.

Mr. George Rees, of South Wales, commented that the meeting was a waste of everybody's time. Mr. Vincent, of Lancashire, said that he would like to ask a question. Mr. Scargill told him to "shut up" and indicated that the Executive had agreed before the meeting that no one but Mr. Scargill would ask questions. Mr. Vincent apologised and said he had been on the telephone at the time.

Mr. Cowan repeated that he was prepared to have discussions without commitment about the Plan for Coal. He understood the NUM's position on the Plan for Coal; they should understand that he was concerned to be realistic about the present underlying market for deep mined coal of 100m. tonnes. His objective was to find ways of replacing a tonne of coal costing £70 by producing two tonnes of coal at £35 a tonne. Mr. Scargill said that closure of collieries on economic grounds was a violation of Plan for Coal.

Mr. MacGregor said that it appeared that the meeting had reached a point where further discussion would be of no value.

Mr. Ned Smith referred to Mr. Scargill's remarks about economic closure. Despite Mr. Scargill's assertion, it was the case that the Coal Industry Examination Tripartite Report referred to the inevitability of some economic closures. However, he did not consider that it was constructive for either side to score points about such issues. The Board had, in March, put forward their proposed plan for the industry and were prepared to meet with the NUM and discuss this plan.

Mr. Scargill said that it was the NCB who were responsible for the present dispute by unilaterally announcing their intention to close 20 collieries and shed 20,000 jobs. He repeated that Plan for Coal did not envisage the closure of collieries on economic grounds.

Mr. Smith said that he did not think that Mr. Scargill's attitude had ~~not~~ advanced and indicated no prospect of dealing with the reality of the situation, and was unhelpful.

Mr. Cowan said that the size of the present meeting was unhelpful in furthering the discussions and he repeated his offer to meet Mr. Scargill, Mr. McGahey and Mr. Heathfield on ways of advancing the principles of Plan for Coal. Such a discussion might help in leading to discussion of ways in which the present problems could be resolved. However, he was not prepared to meet under duress.

Mr. McGahey said that the Board apparently expected the NUM to meet under duress. Mr Cowan repeated his offer of a meeting without prior commitment. Mr. Scargill said that all the Board had to do was to withdraw their unilateral proposals to close 20 pits and shed 20,000 jobs so that discussions could take place on how to expand and develop the industry.

The meeting then concluded. Mr. Scargill said that the union would like to continue to have the use of the room for a meeting among themselves, and this was agreed. The Board's side then left.

File

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AT

COPY MR. D.G. BRANDRICK FOR CIRCULATION  
MR. NED SMITH

23rd May 1984

P.E. Heathfield Esq.,  
Secretary,  
National Union of Mineworkers,  
St. James' House,  
Vicar Lane,  
Sheffield,  
South Yorkshire S1 2EX

Dear Mr. Heathfield,

I am writing to confirm the statement made by Mr. Cowan at the meeting today between the Board and your National Executive Committee, that Board representatives are ready at any time to meet Mr. Scargill, Mr. McGahey and yourself, or whoever you wish to nominate, to discuss, with no conditions or prior commitment on either side, the principles of Plan for Coal in relation to the future for the industry. Such talks might offer the prospect of finding a solution to the present problems of the industry, and I would wish to confirm Mr. Cowan's offer to talk at any time, without pre-conditions, about these problems.

I should be glad to hear from you whether your Union are able to respond to this offer.

Yours sincerely,

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