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24 May 1984

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PRIME MINISTER

OPEN-CAST COALMINING

I asked David Pascall to help me follow up your query about whether there was any advantage in having open-cast coal produced by private sector contractors, with men belonging to the TGWU rather than the NUM. In practice most open-cast mining is already in the TGWU province.

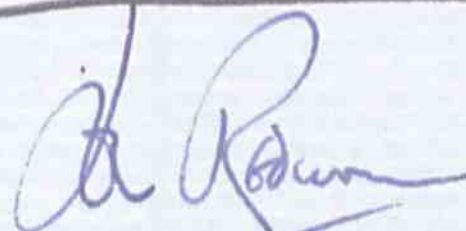
The NUM have made no impact on TGWU men mining - and in some cases moving - open-cast coal. Throughout the dispute, open-cast production has been near an average 300,000 tonnes a week, which is the normal production level.

In a recent week, when total production was 750,000 tonnes, 300,000 tonnes of this came from open-cast under licence, and a further 25,000 tonnes from private open-cast and deep mines. 610,000 tonnes were despatched to customers, which suggests that around 60 per cent of open-cast production was moved.

Department of Energy believe that this particular week exaggerates the amount of open-cast coal which is being moved generally. However, they believe that in Midlands region - including both Notts and Leicestershire - open-cast coal is being moved to markets as well as mined as normal. In Western region, some Lancashire and Staffordshire open-cast coal is moving, but in Cumberland all production is being stopped. In South Wales, Scotland, the North-East and Yorkshire, movement of open-cast coal is very difficult. The little bit that does move in the striking areas takes place with considerable local ingenuity.

Conclusion

The existence of private open-cast and deep mines, and open-cast output under private licence, is very important to the maintenance of levels of production, as it is contributing over 40 per cent of a typical week's output. Whilst there is disagreement about the amounts that are being moved, the position is much less satisfactory; but it would be safe to conclude that it is helping endurance, and it is an annoyance to the hardline strikers.


JOHN REDWOOD

P.S. Even the open cast coal not being moved is helpful; it might be drawn upon later in the dispute and it will certainly speed up replenishment after it. AT 24/5

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