



Coal file

BRIEFING FOR THE CHANCELLOR OF THE EXCHEQUER: 1 AUGUST 1984

CORTONWOOD COLLIERY

Line to take

At a meeting with the Unions on 1 March, the Area Director of the NCB's South Yorkshire Area proposed the closure of Cortonwood colliery. He pointed out that the reserves available to the colliery were limited and, since the colliery would have to close within a few years, he suggested that its closure in 1984 would reduce production (as was necessary) without damaging the area's longer term future. There would be no need for compulsory redundancies.

Whilst the Area Director proposed that production at the colliery should cease in April, he made it clear that the normal Colliery Review Procedure would be followed. No developments would be stopped or equipment withdrawn before (if the Unions wished) all the various steps in the Procedure had been completed and a final decision taken. He asked for a Reconvened Colliery Review Meeting as a first step in the normal colliery review process agreed with the Unions. I understand that the NUM have not so far indicated that they would be prepared to participate in such a meeting.

Background

The following papers are attached:-

- a) NCB South Yorkshire Area Director's letter of 28 March to workers at Cortonwood.
- b) Mr MacGregor's letter of 23 March to Peter Hardy, the constituency MP
- c) Peter Walker's letter of 27 April to Stanley Crowther MP (para 2 refers).
- d) Hansard of PNQ of 25 April when Cortonwood was raised by Alec Woodall MP
- e) Extract from NCB's recently published 1983/84 Report and Accounts.

1 August 1984



National Coal Board  
South Yorkshire Area Golden Smithies Lane,  
Wath-upon-Dearne, Rotherham S63 7EW  
Telegrams Coalarea Wath-upon-Dearne  
Telex 882161 (CBHOB G)  
'Station Code' SYK

NCB

28th March, 1984

Our ref  
Your ref

For the past few weeks the normal methods of communication between us have not been open and we have had, in effect, to talk to each other through the media. I think it is right for me now to write to you personally, to give you the full facts about the future of your colliery and, hopefully, rid your mind of any nagging doubts you may have.

The first thing I must stress is that every man who wants a job will have the opportunity of transferring to another local pit. What I said at the Area Review Meeting, attended by all Trade Unions' Representatives, was that I intended to offer men over the age of 50 the opportunity of voluntary redundancy and the younger men the chance to transfer elsewhere with the usual transfer allowance of up to £1,550. But nobody will have to leave the industry against his will.

All the younger men at the colliery who still have long careers ahead of them are well aware that Cortonwood has only a short life, even if all the reserves were to be worked out. In two years' time when the North area is exhausted, there would have to be a big reduction in manpower, and three years after that the remaining reserves would all have gone. By bringing forward these inevitable transfers of men, I can guarantee everybody a job. At this stage I cannot possibly give such a guarantee for up to five years from now.

At the Area Review Meeting I proposed that we should meet again quickly with the local representatives of each Union present. Two of the Unions have agreed to such a meeting but the N.U.M. have not. After the meeting with the local Branches, it is still open to any of the Unions to appeal against my decision to bring forward the closure. I also gave an undertaking, which still stands, that until the Review Procedure had been fully exhausted and the outcome known, I would take no steps to implement the closure. No developments will be stopped or production districts salvaged.

The majority of the other pits in South Yorkshire Area have reserves to last for many years to come and most of them are already profitable. The Area is still investing at a rate of £30 million a year to guarantee a prosperous coal-mining industry in South Yorkshire well into the future.

cont.....

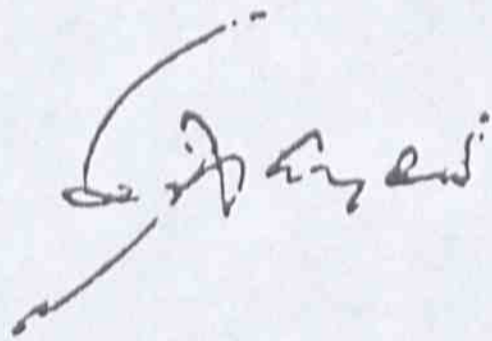


I am well aware that more than 80 of you have only moved from Elsecar within the last few months and are obviously concerned at the prospect of a further upheaval. I am sorry if any of you feel misled by the advice which was given to you in good faith at the time. Those of you who did move from Elsecar, however, will be entitled to the same conditions as everybody else on Cortonwood's closure, and those who want to stay in the industry will, of course, be entitled to the normal transfer allowance when they move to another pit.

I hope this letter has cleared up some of the misunderstandings that have occurred in recent weeks. On an important issue such as this, however, there are obviously many points that need to be raised and many details settled that can only be done when we are able to get together round a table.

I hope that before long this will be possible.

Yours sincerely,



G. Hayes  
Director



HOBART HOUSE  
GROSVENOR PLACE  
LONDON SW1X 7AE

01 235 2020

CHAIRMAN  
Ian MacGregor

Peter Hardy, Esq., MP,  
House of Commons,  
LONDON SW1A 0AA

23rd March 1984  
Our Ref. MP 82/136

→ Mr Seaney,

Dear Mr Hardy,

Thank you for your recent letter about Cortonwood Colliery.

I understand that, at a meeting with the Unions on 1st March, the Area Director proposed the closure of this colliery. He pointed out (as you have done) that the reserves available to the colliery were limited and, since the colliery would have to close within a few years, he suggested that its closure in 1984 would reduce production (as currently necessary) without damaging the Area's longer term future. There would, he said, be no need for compulsory redundancy.

Cortonwood produces 400 rank coking coal, for which BSC now have only a very limited demand. So the coal tends to go for low-priced export to Immingham or to stock at the colliery.

Whilst the Area Director proposed that production at the colliery should cease in April, he made it clear that the normal Colliery Review Procedure would be followed. No developments would be stopped or equipment withdrawn before (if the Unions wished) all the various steps in the Procedure had been completed and a final decision taken. He asked for a Reconvened Meeting under the Colliery Review Procedure, which (because of the Yorkshire strike) has not yet taken place.

I am assured that the Area were not criticising the attitude of the workforce or suggesting that this was a contributory reason for the proposals.

Sincerely,

Copy to: Area Director, SYK

3001/3/84/B/21/PMR



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

01-211-6402

cc MS Beaton  
Mr Seaman  
Dr Williams

Stanley Crowther Esq MP  
House of Commons  
LONDON  
SW1A 0AA

27 April 1984

*N. Sturt*

Thank you for your letter of 9 April. I well understand the anxiety of the members of your Constituency Labour Party, and the suggestion that they have made. Can I say that there has been agreed with the National Union of Mineworkers a proper procedure for pit closures that has operated over a number of years. This procedure is still available.

As regards the future of Cortonwood, I can assure you that the Board is prepared to convene a colliery review meeting, as a first step in the normal colliery review process agreed with the unions, before any final decision is taken. I understand that the NUM have not so far indicated that they would be prepared to participate in such a meeting.

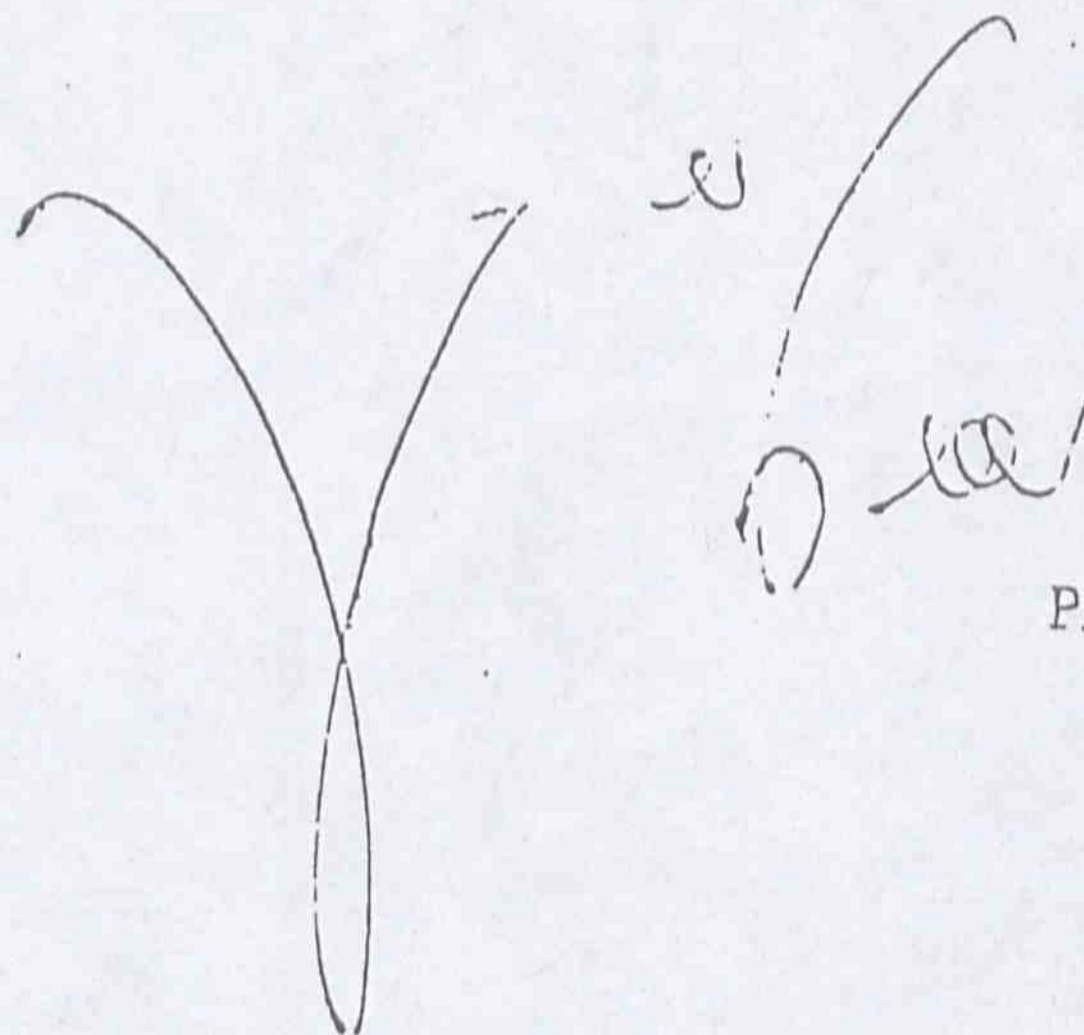
I think also your Constituency Labour Party will be aware that pit closures on a very substantial scale have taken place under all postwar Governments. Indeed, over the last eleven years of Labour Government pit closures were at the rate of thirty a year, a far higher figure than anything that has recently been envisaged. I hope they will also consider that the present management of the National Coal Board have succeeded in getting Government approval for capital investment in the industry which in cash terms is double the level of capital investment during the Labour Government of 1974 - 1979, and in real terms is a substantial improvement on what has previously been achieved.

My desire, and I know that of the National Coal Board as well, is to ensure that we have an industry with up-to-date machinery, good pits and able to supply an expanding market.

Your Constituency Labour Party will know the efforts I have made with substantial Government grants to persuade industry to convert to coal. I have recently persuaded ICI to undertake the biggest coal conversion in history - a conversion that would have required 450,000 tonnes of coal a year. Alas this campaign is being totally frustrated by a feeling amongst industrialists that the security of coal supplies cannot be relied upon.



As you know, the closure of uneconomic pits suggested will only affect 10% of the industry's workforce. The Board intend that any miner who wishes to continue working will be able to in another pit, and that the entire 10% reduction will be achieved from volunteers, either going for voluntary early retirement or voluntary redundancy under the exceedingly generous terms which I recently approved.

A large, stylized handwritten signature in black ink, consisting of a large 'Y' shape with a loop at the bottom and a flourish to the right.

PETER WALKER



Mr. Shaw: I certainly give my hon. Friend that assurance. He will know that the commitment to the Point Ayr development is just as strong.

Mr. A. J. Beith (Berwick-upon-Tweed): Why will the Secretary of State not take the positive step of summoning a meeting of the chairman of the board and the president of the union with one item alone on the agenda—"Plan for Coal"—and how it can best be implemented?

Mr. Shaw: The hon. Gentleman must recognise that, given the present position in the industry, the board and those who work in it have the capacity to resolve this issue. Clearly, the NUM is split on this matter. It is not feasible for the hon. Gentleman to suggest that somehow this can be resolved by a wave of the wand from outside.

Mr. Andy Stewart (Sherwood): As the Nottinghamshire miners have voted to continue to work, and have shown that they will continue to do so, is it not time that the NCB implemented the new wage proposals that have been on the table since last year? Out of respect for those miners who voted against a strike, it would be only right if they received the increased pay award.

Mr. Shaw: I note what my hon. Friend says, and the House will be aware that the Nottinghamshire miners have been forthright in their acceptance of their duty to work for the future of their industry. The matter of payment is one for the National Coal Board.

Mr. Alec Woodall (Hemsworth): The Minister has just made great play about the large stocks held by the Central Electricity Generating Board—enough, he says, to keep the electricity supply going for the next few months. Is he aware that a few weeks ago, an appeal was made to the officers of the Yorkshire area of the NUM, by the British Steel Corporation at Scunthorpe for 16,000 tonnes of coal to be released to keep that steelworks open? Is the hon. Gentleman aware that the coal required is high quality coking coal, the coal that is produced at Cortonwood, but the National Coal Board cannot supply those 16,000 tonnes of coal for Scunthorpe? This is where the dispute started. Will the Minister give an assurance that he will tell Mr. MacGregor to withdraw the closure notices and bring this silly dispute to an end?

Mr. Shaw: No, I shall not give any assurance on that, because, as the House should know by now, the National Coal Board runs its business and it is not the business of the Government to intervene. As to the hon. Gentleman's question, I am glad that arrangements have been made to ensure supplies to the Scunthorpe steelworks. However, as I think I have said to the hon. Gentleman before, consultative procedures can be initiated on Cortonwood if the NUM is willing to do so.

Mr. John Hannam (Exeter): Will my hon. Friend refute the unfounded allegations made by Mr. Scargill on "The World at One" yesterday that in some way the Government have broken the terms of "Plan for Coal" of 1974? Is it not the case that the Government have upheld their agreement by investing in the coal industry throughout the years and that it is the NUM that has broken the agreement by preventing the agreed closure programme of the uneconomic pits?

Mr. Shaw: My hon. Friend is right. Investment is one of the important factors in "Plan for Coal", and the amount invested is far higher than envisaged. The productivity

increase of 4 per cent. per annum that was aimed at has not been achieved, and it was only last year that we achieved a 4.7 per cent. increase. The reduction in capacity was expected to be about 3 or 4 million tonnes per year, but less than half that has been achieved. My hon. Friend is right. The Government have kept their promises in terms of "Plan for Coal."

Mr. Alexander Eadie (Midlothian): For how much longer will the hon. Gentleman deceive the House and the country that this is just a local dispute, when 80 per cent. of the miners are on strike? Are the hon. Gentleman and his Government prepared to do something constructive? Why do they not call a meeting of the tripartite inquiry, over which his right hon. Friend the Secretary of State for Scotland could preside, to try to bring an end to this dispute through conciliation rather than confrontation?

Mr. Shaw: If the hon. Gentleman is after conciliation, why does he not advocate a national ballot on this issue?

Sir William Clark (Croydon, South): Does my hon. Friend agree that the proposed number of pit closures is smaller than the number of pit closures carried out by the Labour Administration? Is not this strike nothing to do with pit closures and everything to do with politics? Is it not a disgraceful fact that Mr. Scargill, as head of the National Union of Mineworkers, refuses to negotiate?

Mr. Shaw: It is a fact that the president of the NUM has drawn his own conclusions as to what the dispute is about. It is equally incontrovertible that the future of the industry is critical, but the people who are being most damaged by what is going on are the miners, and the future of the industry is at stake.

Mr. Martin Redmond (Don Valley): How does the Minister equate Mr. MacGregor's recent statement about his willingness to phase in the colliery closures programme over a longer period with the Prime Minister's statement, made on two occasions to the House, that the closure programme is being scheduled? Would not the country be better served on this occasion if the Prime Minister went back to the corner shop?

Mr. Shaw: The chairman of the National Coal Board has made it clear in the consultative committee—it met again this morning—that he is prepared to discuss matters with those who are concerned with the long-term future of the industry and that the restructuring of the industry is an essential part of those discussions. Those discussions have been held with several unions in the industry. So far, the National Union of Mineworkers has refused to be a party to them.

Mr. Richard Hickmet (Glanford and Scunthorpe): Does my hon. Friend agree that the gravest consequence of the strike is upon our steel industry and those who work in it whose jobs depend on coal, and upon our coal miners whose jobs depend on supplying the steel industry? Does he agree, further, that it seems apparent that the National Union of Mineworkers and its leadership are quite prepared to see the steel industry sacrificed upon the altar of Arthur Scargill's political ambition?

Mr. Shaw: I understand fully my hon. Friend's concern with the steel industry. So far the arrangements are very tenuous. They have been made to try to maintain some supplies of coal into the steel industry. It must be recognised that this is a very fragile arrangement and that the future of the steel industry is clearly at risk.



mining industry, they see their objective of creating a high-volume, low-cost industry being met by applying the basic principles of the Plan for Coal, which are to continue to build up output at long-life, low-cost pits and introduce new, low-cost capacity, to replace old capacity reaching the end of its useful life.

## The NUM dispute

At the National Union of Mineworkers' (NUM) Conference in Perth in July 1983, resolutions were passed on the coming wage claim and on the Union's opposition to pit closures and manpower reductions. Both resolutions called for ballots of the membership if satisfactory responses were not obtained from the Board.

The NUM wage claim, which was developed from the composite wage resolution passed at the Conference, was formally presented to the Board at a meeting of the industry's Joint National Negotiating Committee (JNNC) on September 27 1983. The claim was for a substantial increase in wages, payment on a salary basis, consolidation of the Incentive Scheme, a reduction of working hours and an increase in unsocial hours payments. At a further meeting of the JNNC on September 30, the Board outlined the problems facing the industry – the continuing imbalance between supply and demand for coal and the poor financial results in recent years – and also the progress made in 1982/3 and the first part of 1983/4. In the belief that this progress could be maintained, the Board said that they were willing to offer an increase of 5.2 per cent on grade rates, which would maintain the mineworkers' position at the top of the wages league for large industrial groups.

At the NUM Special Delegate Conference held on October 21, this wage offer was rejected as 'totally unsatisfactory'. The Conference heard a report from the National Executive Committee (NEC) on the state of the industry and re-affirmed its total opposition to pit closures and reductions in manpower. An overtime ban was imposed from Monday, October 31.

During the negotiations and in their public statements, the NUM leaders repeatedly asserted that there was a link between wages and closures. The wage offer by the Board, however, was not conditional on acceptance of any level of closures.

At a further meeting of the JNNC on October 27, the NUM reported the rejection of the Board's offer and the overtime ban went ahead as the Board refused to increase their offer.

Overtime in the coal industry is not normally worked to produce coal directly but to perform safety inspections and to carry out repair and maintenance work, often statutorily required, which cannot be done within the normal working shift. Consequently, in normal circumstances most mineworkers work little overtime, but certain groups such as craftsmen work a considerable amount.

6

weeks, although a certain amount of NUM safety cover in overtime was provided in some Areas. Workings at one colliery, Bogside in Scotland, had to be abandoned when a failure to provide safety cover led to it being flooded and filled with methane. The Scottish Area of the NUM rejected strike action against the cessation of operations at Bogside and the proposal to close Polmaise colliery. As the overtime ban proceeded, men had to be laid off on an increasing number of occasions when essential work, usually done at weekends on an overtime basis, had to be completed during the normal working week, with consequent interference with production. Short sporadic strikes also occurred at a number of pits, generally related to the national dispute, while the imposition of the overtime ban led to a number of protests – most notably by winders in North Staffordshire.

At the beginning of March 1984 there were a number of strikes taking place, particularly in Yorkshire and Scotland. In the Board's South Yorkshire Area, Manvers, Wath and Kilnhurst collieries were on strike in protest at proposed changes to shift starting times for men working on the surface at Manvers. In Doncaster Area, Goldthorpe and Yorkshire Main collieries were on strike over relatively minor issues unrelated to the overtime ban. Bullcliffe Wood colliery in Barnsley Area was on strike in protest at the allocation of some reserves from a nearby colliery. In Scotland, Seafield colliery was on strike over the disciplining of a craftsman and Polmaise over the colliery's proposed closure.

On February 28, the NUM South Yorkshire panel called a strike of all pits in the South Yorkshire Area from March 5 in support of the Manvers strike. On March 1 the South Yorkshire Area Director indicated that Cortonwood, an unprofitable colliery with limited reserves, could not be regarded as a continuing unit within the context of the Area's strategy, and he therefore proposed that the pit should cease production, subject to discussions within the Colliery Review Procedure, in April. Over the weekend of March 3/4, NUM branch meetings at eight of the 15 South Yorkshire Area pits voted not to join the strike called for the following Monday. Despite this, on March 5, all but four pits in the South Yorkshire Area were prevented from working as men refused to cross picket lines of men from other pits in the Area. The following day all the Area's pits were either 'picketed out' in this way or on strike. A Special Council Meeting of the Yorkshire NUM – with representatives from all the branches in Yorkshire – decided on March 5 to call a strike across the whole of Yorkshire from March 9, in protest at 'the Coal Board's decision to escalate the attack upon our industry'.

On March 6, a meeting of the Coal Industry National Consultative Council (CINCC) was held at which the Board outlined in full, at the request of the industry's unions, their plans for the year 1984/5. It was also intended that this meeting would discuss an agenda for a possible tripartite meeting between Government, Unions and the NCB. The Board emphasised their determination to create a high-volume, low-cost industry which would enable British coal to compete in the world and UK