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DEPARTMENT OF ENERGY  
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Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
LONDON SW1

21 January 1983

Dear Geoffrey.

MS

NCB PIT CLOSURES

I am writing to report on recent developments at Snowdown in Kent, and in South Wales.

Snowdown

As you will probably have seen from the newspapers, the NCB have told the unions that they are willing to accept the BACM/NACODS compromise proposal for Snowdown that one face should continue to function until the new seam is developed. The Board have added an important proviso, namely that the face should achieve very demanding production targets, ie some 50% above what has recently been achieved. If these targets are not met the face will be closed down and the pit will be put on a development only basis.

The Board inter alia adopted this compromise to show that the local colliery review procedure does work and that the Board is willing to consider constructive suggestions from the unions. The compromise involves a reduction of nearly 400 in the Snowdown labour force. The new targets are in fact unlikely to be met, in which case the Board will put the pit on a development only basis at a time of their choosing later in the year.

Against the local NUM's wishes, the men at Snowdown organised their own meeting on 15 January, at which they voted by a small margin to accept the Board's compromise. However, in the vote organised by the local NUM over the weekend, the coalfield as a whole voted to reject the Board's proposals and to seek further negotiations with the Board. Norman Siddall has made it clear that, while the Board is willing to have further discussions, they propose to go ahead and implement their compromise proposal, which the Snowdown men themselves have endorsed. There is another meeting with the Kent NUM on 20 January. The Board's assessment is that at most this could lead to industrial action in the three Kent pits.

South Wales

Following the Welsh NUM's climbdown over a strike on 17 January, Emlyn Williams asked for discussions on two pits, Tymawr and Blaengwrach. The first round of discussions were held on 17 January and involved the officials' union, NACODS, as well as the NUM. The Board's current thinking is that they will make it clear at a subsequent meeting in the next few weeks that it is the Board's intention to close these two pits without, however, looking for any compulsory redundancies -

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the majority of men under 55 will be redeployed to other Welsh pits. There were some indications at the meeting on 17 January that Emlyn Williams was working towards agreed closure at the two pits. At Mr Williams' request the Board agreed to let the NUM have a list of vacancies in pits near Tymawr. The Board also confirmed that they would be sinking a bore-hole near Blaengwrach, although they made it clear that they were not prepared to undertake further investment in the existing seams at that pit. The NUM will be holding meetings at the two pits over the weekend, which could lead to localised industrial action, although the Board do not judge the risks to be great". Tymawr has a workforce of about 630 and lost £6m in 1981/82 or some £84/t on its production of 76,000t. Blaengwrach has only 222 men and lost £14/t or £1m on its production of 63,000t.

Discussions on Britannia will be resumed after the joint NCB/NUM report on investment possibilities is completed at the end of this month. The Board will then make it clear that there can be no question of further investment in this pit. This will mean that the colliery will have to close after the current face is worked out in December 1983 or January 1984. In 1981/82 Britannia with a workforce of 445 lost £2m or £19/t.

The Scottish Area of the NCB are currently considering whether to follow-up their success at Kinneil with starting the closure procedure at Sorn (200 men, £1m loss in 1981/82) or Cardowan (1100 men, £10m loss in 1981/82).

I am sending copies of this letter to the Prime Minister, the Home Secretary, the Secretaries of State for Scotland, Wales and Employment, Sir Robert Armstrong and Mr Sparrow.

JOHN MOORE

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27 JAN 1983

