

520



cc FERB  
MA  
JR  
SS  
AT

PRIME MINISTER

*R. G. ...*

I attach some rough notes for your speech in Wales at the weekend, prepared in haste this afternoon.

*[Handwritten signature]*

SECRETARY OF STATE FOR ENERGY  
20 June 1984

PETER WALKER

20.6.84

Britain is indeed a fortunate country in being the most energy orientated country in the whole of the European community.

Indeed we are the only major manufacturing country in the western world that is a net exporter of energy. We have oil, we have gas, we have a technical expertise in the nuclear and of fundamental importance we have coal.

As a Government we decided positively and creatively that coal was an energy resource that we needed to develop, and we will need to use for decades to come. Oil and gas over the coming decades will, alas, decline but we have in this country coal resources that will, on any calculation, make an important contribution to our energy resources for decades to come.

It is for ~~this reason and for~~ this decision that I <sup>can</sup> claim to you today, that no postwar British Government has done more for the future of the coal industry than ~~the~~ Conservative Government over which I have presided.

The Labour Party has, of course, always had a close connection with the coal industry. They nationalised it. Coal mining communities return many Labour MPs, though I am pleased to say that today there are as many, if not more, Tory MPs representing coal ~~industries~~ <sup>communities</sup> that can be found upon the Opposition benches. I have no reason to dispute that the Labour Party have a long tradition of being close to the coal mining industry. But what they cannot dispute is that this Conservative <sup>Government</sup> ~~Party~~, on every possible criteria, is treating the coal mining industry more generously and more sensibly than our Labour Government predecessors.

The great concept of the last Labour Government was what they described as the "Plan for Coal". Originally devised by Mr Varley and updated by Tony Benn when he was Secretary of State for Energy. It was a plan to see that our coal industry was modernised, a plan to see that it enjoyed a most massive investment programme.

Under the Plan For Coal the last Labour Government invested in its five years of office the enormous sums of £1,472 million in the coal industry. They claimed that this was building the coal industry to a great future. In the five years of my Government we have not invested £1,472 million, we have invested £3858 million in new capital investment for that industry. The most fabulous investment programme that that industry has ever known. An investment programme that far exceeds the Plan for Coal as envisaged by Mr Tony Benn. As a result of our investment programmes we have invested £900 million more than was envisaged in the Labour Government's Plan for Coal. We have and we are investing £2 million a day to provide a marvellous future for this industry.

Last year the Conservative Government in Britain invested in the coal industry almost exactly twice the amount invested in the entire coal industry of the rest of the European Community. I might say a sharp contrast to the Socialist Government of France who were elected on the policy of increasing coal production by 50%, and has now announced that it will now cut coal production by 50%.

But it is not just capital investment that is important. It is important to understand the genuine problems of a community, a mining community where closures of uneconomic pits have to take place.

Closures of uneconomic pits have always taken place. In the last eleven years of Labour Governments in Britain 330 uneconomic pits were closed. 33 a year. Far more than we closed last year and far more than the Coal Board envisage closing in the coming year. But these were closures in which men were made redundant and <sup>in which</sup> ~~only~~ the more elderly miner had great difficulties in coping with the problems. When my Government recognised that it was in the interests of the coal industry and the country to close <sup>a number of</sup> uneconomic pits that were producing coal at two or three times the price that coal could be produced in

good pits, we decided to do it in a humane and civilised way, in which no miner would be confronted with real hardship. When Mr Tony Benn was Secretary of State for Energy, during the last months of the last Labour Government those that went for voluntary redundancy were treated so much less generously than in the provisions that we have now provided. There cannot be one of the 17,000 miners that went for voluntary redundancy during Mr Benn's period who does not wish that they had available to them the terms that the Conservative Government has now offered. In the last week of the last Labour Government a miner aged 55 who volunteered for early retirement would have received no capital sum, and £46 a week for three years. As a result of the changes that my Government has made he would now receive a capital sum of £7800 and £60 a week guaranteed for five years. Even more dramatic, is the fact that one of those 17,000 that went for voluntary redundancy under Mr Benn at 49, for example, would have received a capital sum of £1450. Where as he will now receive £33,000.

With our early retirement provisions a miner aged 55 will not just draw his £60 a week but also his unemployment benefit, and a typical married man will draw £104 a week. What we have been able to say to every miner affected by an uneconomic pit being closed is that if you wish to stay as a miner we will offer you a job in another pit. If, on the other hand, you wish to go for early retirement or voluntary redundancy we will treat you more generously than in any other mining industry in the western world, and indeed more generously than in any other industry in this country. No wonder that even during the period of the strike thousands of miners have informed the National Coal Board that they would like to take advantage of these generous early retirement and voluntary redundancy proposals.

It is not only <sup>in</sup> ~~investment~~ <sup>ing</sup> in the future of the industry and in looking after those that may be involved in the closure of uneconomic pits that we can claim to have done better than any of our predecessors, but it is also on the question of pay. Indeed in the recent debate on the coal industry in the House of Commons

Labour's Spokesman on energy Mr Stanley Orme categorically said that this is a dispute, not about wages. No wonder he said that. For certainly our record of paying the miners decent pay for a difficult job well done is far superior to that of our Labour predecessors. Indeed when Mr Benn presided over energy in two successive years there was a substantial reduction in miner's pay in real terms. In present day cash terms in 1976 miners suffered a reduction of £13 a week and in 1977 a reduction of £15 a week. My word, how miners and Labour politicians would have protested if ever <sup>a</sup> ~~the~~ Tory Government treated miners pay in such a mean way. During my Government, miners have always been paid substantially more than the average industrial wage. This year, in spite of enormous losses of the Coal Board, we are seeing that their pay is protected against inflation and that their pay will remain substantially above <sup>that of</sup> the average industrial wage.

What I am interested in and what every sensible miner is interested in, is the future of this industry. We wish to continue investing heavily in producing more coal at economic prices. We want modern pits with good equipment, better working conditions, producing more coal at low cost. That is where future expansion is available. It is a Conservative Government that has pointed out to industry that to convert to coal, low cost coal, is the sensible thing to do. We provide grants to persuade firms to convert from oil and gas to coal. We were successful in our campaign. Last December no less than 78 firms applied for grants to convert to coal. Now, due to the industrial action it is unlikely that any firms will apply for grants this month. ICI had applied for grants to convert one of its largest plants to coal. We had approved the grants. That one conversion would have provided Durham miners with 450,000 tonnes of coal orders per year. ICI have now deferred their decision out of fear at the insecurity of supplies due to this unnecessary industrial action.

It is not just at home we are expanding the market now. Mr MacGregor landed a fine order for British coal in the mid west of the United States. An order that would have taken up 400,000 tonnes of Durham coal this year, and perhaps 600,000 tonnes next year. Due to the industrial action that order is now being fulfilled by European coal producers. So in terms of next year alone there could be 1 million tonnes of coal orders lost to Durham due to this unnecessary industrial action. These are the sort of orders we must secure if our miners are going to have a good future.

Many miners have ~~lost~~ <sup>not supported the strike action</sup>. This week there have been 50,000 miners working. In Nottinghamshire yes, but there are more pits working outside Nottingham than are working in Nottinghamshire itself. In Lancashire, in North Wales, in Derbyshire, Leicestershire, Staffordshire, ~~Worcestershire~~ <sup>Worcestershire</sup>, and for the first time this week in Scotland miners are at work. There are three coal mining unions in this country. One large - the NUM. 50,000 of them at work. Two small unions - employing a membership between them of X thousand. Both of whom have decided not to strike and to accept the pay offer that the Coal Board has provided. Of those not working, the vast majority have had no individual opportunity of expressing their view. In the majority of cases where they had a chance of voting, they went to work. In the majority of the cases where they did not have a chance of voting, there are not working.

May I pay tribute to the remarkable efforts of the police to see that those thousands of miners who wish to work have, with police protection, been able to preserve their freedom to do so. By using the mob, frequently violent and aggressive, there has been an attempt to stop people going to work. Nothing to do with peaceful picketing. The TUC themselves declare that for peaceful picketing you needed a maximum of six at any factory gate. We have witnessed not six peaceful pickets but mobs of six thousand, with violence and aggression, endeavouring to

stop people going to work. But they have failed. They have tried to destroy Ravenscraig in Scotland, but they failed. They have tried to stop the steel industry in Llanwern but they have failed. They tried to destroy Scunthorpe, but they failed. They tried to close power stations, they tried to close every colliery that is at work. They tried to close railways, they tried to stop lorries, they tried to stop ships. But they have failed. And they have failed because people realise that any industry that is enjoying record ~~making~~ investment, is not confronted with a single compulsory redundancy, and has a decent pay offer, has no justification for industrial action in its own industry let alone industrial action to destroy ~~other~~ ~~industries~~.

*the reduction of others*