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Ian MacGregor

8 August 1984

Mr. Murray,

Dear Mr. Murray,

It has been reported that the current dispute in the coal industry will be a subject of discussion at your forthcoming conference in Brighton. I thought it might be appropriate to supply you with some of the NCB views on the subject as this dispute and its ultimate outcome will have such an important bearing on energy costs in this country. The prospects for industry and business depend more and more on low cost electrical energy and thus the prospects for job security of your members. In addition the cost of all our creature comforts in the home and elsewhere depend so much on electricity today.

Unless we settle this dispute along the lines the NCB have proposed the cost of coal will be kept high - far higher than the Nation, as a consumer or a subsidiser of it, can afford.

In our 20 most expensive pits, coal is mined at an average of £89 a tonne. But we cannot sell coal at even half that price.

It is costing the taxpayers - including all of your members - nearly one million pounds a day to support our uneconomic pits.

But we can get the cost of coal down - to the undoubted benefit of everyone working in Britain today. Cheaper coal would safeguard existing jobs AND open up real opportunities for new jobs.

We want to create an efficient and expanding mining industry as soon as possible, but it can only be done through cheaper coal. We have got to be able to re-direct our financial and manpower resources to this end.

This can mean that we will sell all we produce and open up new markets with lower cost coal from the new capacity now coming into production and the new prospects which are in the pipeline.

There is no plan to "butcher" the industry, nor destroy mining communities.

That is why our plans allow for the most generous voluntary redundancy terms and enterprise schemes to help those men and their families who are affected by what are inevitable changes in our industry.

Most significant of all, we have guaranteed that any man who wants to stay in our industry will be offered another job as near as possible to his present one, with relocation costs paid by the Coal Board.

No-one can have been happy in the last few months to live in this country which has traditionally prided itself on its democracy and its sense of fair play, but which has been torn apart by the appalling violence and intimidation we have witnessed day after day.

I am sure you join me in condemning such actions and the perpetrators.

I do not wish to dwell on this beyond making the point that it must be obvious to you that there is a considerable number of miners who are still working, and we sincerely believe there are a large number of others who want to come to work, but are too frightened to do so.

I would also point out that the longer the strike goes on the more pits are at risk of being shut forever because of the lack of maintenance during the strike.

Similarly, shutting down steel works such as Ravenscraig or Llanwern for the rest of the strike could have the same, calamitous result for thousands of steelmen, railmen and other trade unionists.

Regrettably, it is my view that the leadership of the NUM is in danger of being the "butcher" of this industry.

Yet there are few reasons connected with the plans for the industry to cause the strike or more particularly for its continuation after our July proposals.

There is nothing new about pit closures in our industry. There have been 750 of them since coal was nationalised in 1947, 79 in the last decade alone.

On March 6th the NCB put forward their proposals for fulfilling the objectives for the following year. These proposals were entirely in line with the Plan for Coal and inevitably involved some pit closures.

Since the Plan for Coal was agreed in 1974, the NCB and the mining unions, including the NUM have worked hard together through the colliery review procedure to ensure that these inevitable closures result in as little hardship as possible for our men.

Following the March 6th 1984 meeting we intended to begin the joint consultative procedures that have always been carried out since the Plan for Coal was agreed upon. The NUM leadership did not go through the customary procedures and decided to start the current strike.

The NCB has not abandoned the principles of the Plan for Coal or the consultative procedures. We have always been ready to discuss the future of individual pits and the future of our industry as a whole.

We are still ready to do so.

We have also always been ready to discuss ways of settling this dispute.

We are still ready to do so.

Indeed I believe we can achieve a settlement - but it CANNOT be one in which we, the NCB abandon our responsibilities.

Our job is to manage the coal industry. And our responsibility is to the nation as a whole: working miners, striking miners, British industry, British taxpayers.

Which includes ALL trade union leaders and their members.

That is the responsibility which we cannot surrender. And that is why I am writing to you.

I hope you will bear this in mind during your Congress and I hope you can use your good offices to help us towards a settlement.

If there is anything I have said that you doubt or wish to clarify then I would be happy to talk to you and answer your questions at any time anywhere.

Sincerely,