



Full AT

Members' Brief

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COAL INDUSTRY DISPUTE

The Offer

Miners are being offered a package of unprecedented generosity. It includes:

- (i) A wage increase of 5.2 per cent backdated to last November. This is greater than that accepted by many groups of workers, including those in the power, gas, railway and water industries. It would keep miners' earnings over 25 per cent above average male earnings in manufacturing industry.
- (ii) A commitment not to impose any compulsory redundancies. Any miner who wishes to continue working in the coal industry will be able to do so.
- (iii) An opportunity to take voluntary early retirement on terms more generous than in most other industries. For example, a miner aged 50 with 30 years' service would receive a capital sum of £14,500 and £79 a week until normal retirement age, assuming he failed to find another job. For those under 50 a capital sum of £1,000 per year of service (since the age of 16) is available.
- (iv) A continuation of the capital investment programme – £2 million a day since 1979 – in new machinery, new collieries and new coal faces to create new jobs. This will enable the industry to produce cheap coal and therefore expand its markets. By contrast, France is to cut its mining industry by half.
- (v) The creation of a new enterprise company which will provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures.
- (vi) An amendment to the existing colliery review procedure to enable an independent review body to give its view on any closure if asked to do so. Full weight would be given by the NCB to its advice.

Intransigence of the NUM

The NUM executive has consistently refused to allow their members a ballot of all their members. 70,000 miners took part in area ballots in March; they voted overwhelmingly not to strike. There are at present 70,000 men working in the mining industry, one third of the workforce. Many more who might wish to work are dissuaded by intimidation. On the terms offered Mr Walker said: 'I am confident that it would be accepted by miners had they the opportunity of a ballot on those terms' (*Hansard*, 22nd October 1984, Col. 447).

The Negotiations

Three major series of negotiations have taken place between the NUM and the NCB in an effort to settle the dispute. The first two series of negotiations (4th-19th July and 9th-14th September) failed to reach agreement because the NUM insisted that no pit, however uneconomic, should be closed unless the closure could be justified on grounds of safety, complete exhaustion of reserves, or severe geological difficulties. A third series of negotiations began on 3rd October under the auspices of ACAS following an initiative by NACODS.

The NACODS Dispute

On 28th September the 16,000 members of the pit deputies' union, NACODS, voted by a majority of 82.5 per cent to take strike action. The ballot paper dealt with three separate issues: the NCB's plans to reduce capacity, its alleged breaches of conciliation procedures, and the NCB's decision to issue new guidelines in August, stating that members of NACODS would not be paid if pickets prevented them from getting to work. Of these three issues the second and third were resolved with the NCB but on plans to reduce capacity. NACODS requested the NCB to hold a meeting with the NUM under the auspices of the Advisory Conciliation and Arbitration Service (ACAS). The first set of these talks took place between 11th-15th October at which ACAS put forward a compromise formula the key element of which was that: 'the colliery review procedure will be amended to include as a final stage an independent review body whose function would be to consider a reference from any one of the parties on any closure matter about which there is disagreement. Full weight would be given by the parties to the advice of this independent review body'.

The NCB accepted this ACAS compromise proposal but the NUM rejected it. In an interview on BBC Radio 4 on 17th October, Mr Scargill confirmed that on the key question of pit closures he had not moved an inch since the dispute had started in March. At the breakdown of the talks the NACODS executive announced that they intended to take strike action on Thursday, 25th October. A second set of negotiations took place at ACAS on 22nd and 23rd October. After these talks NACODS put the NCB's latest proposals to their national executive and on 24th October the executive voted unanimously to call off the planned strike. Negotiations between the NCB and the NUM are continuing at ACAS.

Stocks

The Secretary of State for Energy, Mr Peter Walker, said: 'There are substantial stocks of coal at the power stations, and I am pleased to inform the House that power station stocks at the end of last week were higher than they were at the end of August. The Government will continue to take all the actions that are necessary to see that the power stations continue to provide the energy necessary to protect the life of the nation and to preserve jobs' (*Hansard*, 22nd October 1984, Col. 446).

Damage done to the Industry by the Strike

On the threat of the strike to jobs, Mr Walker said: 'If the mobs that Mr Scargill has organised had had their way, we would by now have massive unemployment in the steel industry and many others. I am delighted to say that that has been stopped' (*Hansard*, 22nd October 1984, Col. 455).

Nevertheless, jobs have been lost, because the planned £700 million investment in the coal industry for this year has not taken place due to the strike. Furthermore, damage done to coal faces is probably now equivalent to the closure of 5 or 6 pits. Markets for coal are also being lost on a considerable scale.

The Labour Party and the Dispute

During this dispute the Labour Party has given total support to the NUM's demand that no pit should ever be closed on economic grounds. By contrast the Labour Governments in 1964-70 and 1974-9 closed 330 pits. At that rate of closure no coal industry would exist in six years' time. Mr Benn, then Secretary of State for Energy, boasted of his ability to secure the support of the NUM for pit closures on economic grounds. He said: 'I have never found the NUM in any way unreasonable where closures are necessary because of exhaustion or because pits are out of line in economic terms' (*Hansard*, 4th December 1978, Cols. 1015-6). Furthermore, the Coal Industry Act passed in 1977 made specific provision for the 'elimination of uneconomic colliery capacity' (Clause 6, section 1).

'Plan for Coal' Fulfilled

The Government has more than fulfilled the requirement for investment in the industry set out in *Plan for Coal* 1974. In the 10 years since *Plan for Coal* was written, £1 billion more at 1983 prices has been invested than was proposed in the *Plan*. *The Plan* also provided for improved productivity and closure of uneconomic capacity. However, the NUM has not fulfilled its commitment to increase productivity. This should have risen by 4 per cent per annum, but over the whole 10 year period it has risen by only 4.7 per cent. As regards uneconomic capacity, the *Plan* envisaged a reduction of 3-4m. tonnes a year. Actual reductions have been at a rate of only 1.7m. tonnes a year.

AT/AW