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PS/  
Secretary of State for Trade and Industry

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26 November 1984

Tim Flesher Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

- 1, Mr. Turnbull
- 2, Mrs. Muntz

Dear Tim,

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COAL DISPUTE: EFFECTS ON MINING EQUIPMENT INDUSTRY

27/11

We spoke last Thursday about the information this Department had received from the Association of British Mining Equipment Companies on the effects of the coal dispute on their members. It may be helpful to you, and to other copy recipients of this letter, to have a short account on paper of what the Association have told us. As you know, they were consulted and were content for the information to be used.

2 The Association asked all their ninety member companies to complete a questionnaire during the summer. They reported that in November 1983, ABMEC's members had 32,200 workers. In July 1984, through redundancies and/or short-time working, the workforce was equivalent to 23,600 full-time employees, a reduction of 26.6%. The Association's members estimated at that time that, if the strike were to continue into next year, they would have an equivalent workforce of 20,400: a reduction of 36.5%.

3 ABMEC looked at the "knock-on" effect of the strike on sub-contractors as well. The estimated total workforce involved was around 60,000 before the strike. If the strike were to continue into 1985, this figure would be reduced to some 40,000 if the effect on employment levels in the sub-contractors was similar to that on the ABMEC companies. However, the Association add that - because the effect of the coal dispute on demands for spares etc provided by the sub-contractors is actually more adverse than the effect on the equipment manufacturers themselves - the total

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workforce involved (equipment manufacturers' plus sub-contractors' employees) could fall as low as 30,000 or 35,000 if the strike goes on into next year.

4 I am sending a copy of this letter to the Private Secretaries of members of MISC 101 and to Richard Hatfield.

Yours ever,  
Ruth

RUTH THOMPSON  
Private Secretary

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