

Thatcher confidence in NCB chief

End it now. That was the short plea which Mrs Thatcher, the Prime Minister, made to striking miners when the Commons began its debates on the Queen's Speech. After Mr Neil Kinnock, Leader of the Opposition, had wondered if Mrs Thatcher's confidence in Mr Ian MacGregor, chairman of the NCB, was now exhausted or merely uneconomic, the Prime Minister replied that she has every confidence in him, and asked if Mr Kinnock had the same confidence in Mr Scargill.

She feared the constitutional convention that the law must be obeyed equally and by all, had been under threat. The Labour Party motion giving official backing to law breakers was not the language of those who believed in democracy.

Mr Kinnock said that everywhere Government policy was to depress, deprive and divide. The Government did not serve the country. It does not deserve this country (he said) and the people of this country certainly do not deserve this Government.

Mr Kinnock, Leader of the Opposition, congratulating the opening speakers, said it was not those who built the Titanic who were at fault, but its captain who would not change course. (Laughter.)

The Queen's speech presented the agenda for Parliament and was an early warning system. He agreed with Winston Churchill who had told the House in 1944 that he rejoiced that the occasion was a time when an MP who had no friends and no group could speak. He therefore looked forward to hearing from the Chancellor of the Exchequer. (Laughter.)

He is not smiling. No wonder he is called Melancholy Blaby. (Laughter.) (Mr Lawson is MP for Blaby.)

The conviction was growing, not just among Labour MPs, but everywhere, not just among foes and critics but among those who would be friends and allies of the Prime Minister that she did not mean what she said when she talked about her concern for unemployment.

This year's concern in the Queen's speech was exactly the same as last year's concern. There was a terrible staleness in the speech. Since the last one and the last undertaking to increase prosperity and cut unemployment, joblessness had increased by 133,000. Inflation had increased by 27 per cent. Industrial production had actually fallen by 0.8 per cent. Taxation on personal incomes had risen by 8.5 per cent.

What does she think will happen when the revenues from the oil start to decline? Does she know or even care what is going to happen? There would eventually be a shrunken economy, reduced manufacturing base, and a country which had ceased being a great world trader because of the decline Mrs Thatcher had built in. His children and their children could be affected.

The Queen's Speech this year (he continued) is a dismal confession of the Government's failure.

He felt sorry for the Chancellor; he was treading water while the Prime Minister was walking on the water.

Even the CBI was saying firms were finding shortages in the midst of the high unemployment in skilled workers. In all sorts of ways Government policies contradicted, frustrated and inhibited workers and managers who wanted to get recovery going.

There was nothing in the Speech about jobs, for fresh investment, for expanding trade; nothing to boost training. There were only platitudes of concern, the promise of more cuts in health, housing and the urban aid programme.

On top of this the Chancellor asserted there must be a cut in real wages. It always ended up there. The Government could not kick the habit of forever recommending courses of action to everyone else which they refused to accept for themselves.

Against the background of the horrors of the Ethiopian famine the

Government spoke of maintaining a substantial aid programme. But the British people were governed by a Government which had cut the aid by 14 per cent in real terms since 1979.

Everywhere Government policy was to dispossess, deprive and divide. That was what guided it in its attitude to the coal dispute. This was a matter of great concern to the whole country, yet it was conspicuously absent from the Loyal Address.

I must therefore (he went on) ask the Prime Minister to tell us in her speech what is her response to the clear statement from the British Association of Colliery Managers that management at all levels, especially very senior levels, has lost confidence in the office of the Chief Executive.

That Chief Executive was very much the Prime Minister's own appointee. He had acted very much according to her terms. What was her judgment now on this faithful servant? Was the Chairman of the NCB still in favour? Was her

Mr Kinnock had said some words about the Chancellor of the Exchequer. She had some very good news. (Labour MPs: "Sack him!") While Mr Kinnock had been speaking, Barclays and decided to cut by half a per cent from 10½ to 10 per cent the base rate. That was a great tribute to the Chancellor and the firmness he kept on the money supply because the money supply figures had been published at 2.30 and the cut on the interest rate had come very shortly after.

May I make it perfectly clear (she said) that I have every confidence in Mr MacGregor. (Labour interruptions) If the miners in the North East had taken up the contracts Mr MacGregor had won in other areas, if they had chosen to take jobs, thousands of Durham miners would have jobs they would not have had without Mr MacGregor.

I wonder (she said) if Mr Kinnock has the same confidence in Mr Scargill. (Conservative MPs cheer and shouts of "Answer!") If Mr Kinnock was not going to answer, she could understand why.



Royal splendour: The Queen delivering her speech in the House of Lords during the State Opening of Parliament yesterday.

confidence in him now exhausted or merely uneconomic? (Laughter.)

Mrs Thatcher should use her power of intervention, understand the cost of the dispute, comprehend the need to restore the procedure for negotiation about the future of collieries and pursue an end to this strike.

Mrs Thatcher said in referring to remarks by Mr Needham that the ark was built to keep its occupants dry. They went in dry (she said) and they came out dry and therefore the ark has great relevance to those who occupy the front benches. (Laughter) It was only the people in the Titanic who got wet.

The colliery review procedure always envisaged the closure of uneconomic pits. In a circular in 1973 issued by the then general secretary of the NUM, Mr Lawrence Daly, endorsing the procedure and explaining it to NUM branches, he stated that:

"While the purpose of these meetings - colliery review meetings - is to improve results and secure the maximum efficiency and optimum future for the industry and those who work in it, it was recognized that some pits would have to close, either through exhaustion or because of heavy losses or changing market."

That was recognised right from the beginning.

For the first time ever the NCB under Mr MacGregor had said that any miner wishing to remain a miner would be able to do so. For those who wished to leave the industry, the Government had supported the NCB and provided the most generous early retirement terms ever.

The Government had backed the coal board in setting up an enterprise company charged with encouraging new businesses in areas affected by pit closure as in the steel industry where redundancies were more concentrated. The British Steel Corporation had helped to create 20,000 new jobs with 16,000 more already in the pipeline. She hoped the new NCB company would be just as successful in a smaller way because the redundancies in any area were far fewer.

The issue at the heart of the dispute was the right and duty of the NCB to manage in a way which secured the efficient development of the coal mining industry.

That right and duty had been recognized in the original Nationalisation Act of 1946, in the Plan for Coal of 1974 and the tripartite agreement by which it was accepted, and in the Coal Industry Acts of 1965 and 1977 both passed by Labour governments.

A settlement which could preserve the NCB's right to manage and which could meet the union's reasonable concerns, could be reached. The success of the negotiations between the NCB and Nacods showed that.

As part of the settlement with Nacods, the NCB had not only resolved a number of matters specific to that union but also addressed issues central to the dispute. The NCB undertook to reconsider its March 6 proposals in the light of the changed circumstances of supply and demand in the market for coal. It undertook that the five pits about which the union was particularly concerned would remain open to be considered in common with all other pits in the colliery review procedure.

It also undertook to include an independent review body in that procedure and said its advice would be given full weight.

I believe the agreement between the NCB and Nacods is fair and reasonable (she said). I do not believe that the NCB has room for any further movement.

Even after 35 weeks of this strike, the leadership of the NUM had a choice.

Either it could continue to manipulate the loyalties and exploit the fears of those on strike, knowing the hardship and suffering it was inflicting on their families. It could continue to wreak yet further damage on the coal industry to add to the £500m in lost wages, the 20 lost faces and the thousands of lost customers, and continue to refuse to budge an inch from its impossible demands. It must know the NCB could not and would not yield.

Or it could accept the offer on the table. That involved the best investment programme ever, the best ever guarantee of employment, the best ever early retirement terms and the best ever pay. She believed that scores of thousands of miners, in addition to the one third now at work, were longing to accept that offer.

This week alone so far more than 1,200 miners had returned to work, despite the violence and intimidation and the efforts to intensify the strike.

If the leadership of the NUM (she said), without consulting their membership, rejecting their desire for a ballot, persist in refusing this deal, the House is entitled to ask: Do they want to end this strike or do they seek to prolong it for reasons which have little to do with jobs and pay, but everything to do with extra-parliamentary challenge to this House and this Government?

Why had they chosen to seek the assistance of the Libyan government, which used its embassy for

murder on the streets of London? Mr Kinnock had been right to condemn this sinister alliance.

There is no industrial reason why this strike should go on one day longer (she said). For the sake of the mining industry and communities, and for the sake of every miner and his family, I say: End it now.

The strike was in the name of jobs but it was, in fact, destroying jobs. When customers could not rely on a secure supply of coal they turned to other fuels. The Labour Party had supported the strike, no matter what the cost or what the damage and no matter how many jobs were lost.

The Queen's Speech reaffirmed that the Government remained deeply concerned about unemployment and would continue with policies designed to achieve better opportunities for employment. They would all like to return to a low level of unemployment.

She said last week Mr Kinnock had given his miracle cure for unemployment, which was to increase public spending by increased borrowing. He argued this would increase demand and public investment and so produce more jobs. But those countries which had been most successful in maintaining employment, the US and Japan, had a far lower percentage of public expenditure than Britain. Mr Kinnock's recipe would take jobs away from the private sector industries.

As for the notion that we need to increase demand (she added) he knows there is no shortage or demand, the trouble is that supply is being met not from this country but from other more competitive countries. I suspect Mr Kinnock knows his formula offers no solution.

Pay in relation to output was the crucial factor. It did not augur well for British industry unless they got unit labour costs down. The pay factor was not enough. They must do away with old labour practices, be prepared to work inconvenient hours; use new technology to the full and constantly develop products and services for the markets of tomorrow.

The route to more jobs presented unpalatable choices for the Opposition because they backed every pay demand and strike no matter how unreasonable or damaging and now they resisted change, whether in transition from high loss to low loss in pits or in technology, and they belittled the opportunity presented by the service industries.

Returning to a high level of employment required unceasing pursuit of sound financial policies to bring down inflation and limit public expenditure.

Many of the measures in the Queen's Speech would be keenly contested. Nobody could complain about that. But once a Bill had passed through Parliament to become law that law must be obeyed equally and by all.

Disagree (she said) as governments and opposition will on policy, on that constitutional convention we were united. In recent months I fear that convention has been under threat.

This year let it be seen that those who deny the duty to uphold the rule of law, those who use violence for political ends, those who deny the ascendancy of the ballot box and the supremacy of Parliament, find no support in any part of this honourable House.

Mr David Steel, Leader of the Liberal Party, said Mrs Thatcher must rue the day she appointed Mr MacGregor as coal board chairman. The pursuit of intransigent had been the characteristic of these negotiations. There had not been a sign of any "give" from Mr Scargill.

This was a political strike and the Government had watched a series of own goals from its side. He would have thought at one time that the Labour Party could have helped in such a dispute. But this was no longer possible.

We are not getting leadership by clear direction (he added) but by previous engagement instead.

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