

SECRET

COPY NO

OF

010.  
 Prime Minister  
 This now supplements my note of  
 last night (below). (A) and (B) are  
 moderately encouraging, but you may still  
 wish to stress to Mr. Parkinson that BC  
management at all levels must pursue these  
**NACODS DISPUTE** aspects vigorously. *Plcb 2/2*

I am monitoring the NACODS dispute closely, and this evening had a meeting with Bob Haslam and Ken Couzens to discuss the situation.

Virtually all NACODS members refused to work overtime over last weekend and struck for 24 hours today. No production or other work was possible, except at two pits where NACODS members, who are in dispute with their Executive, worked normally.

Deputies will be appearing for work from 06.00 am tomorrow. Those who are not required for work will be sent home; deputies will also be rostered as necessary to weekend shifts. British Coal management regards these moves as essential. Over the years there has been a great deal of appeasement of NACODS. However understandable this may have been, BC are clear that the time has come to bring appeasement to an end. Area and pit management expects a firm lead to be given. Members of other unions, who are being sent home if no work is available for them, will also expect action on these lines. However we must be clear that it could precipitate a complete walkout.

#### LEGISLATION

As you know the foundation for the NACODS monopoly is that deputies are required for the supervision of all working of coal; and they alone among qualified workers in the industry have the current first-aid certificates which are required by law. I am discussing with Norman Fowler whether we should legislate to change this; and he has authorised officials to draft appropriate regulations on a contingency basis. BC for their part currently have 84 members of BACM in the Nottinghamshire Area, who have the other required statutory qualifications, under training for first-aid certificates.

SECRET

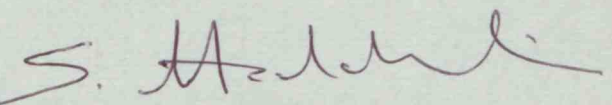
*surely this  
 would be an own  
 good and  
 give the  
 unions the  
 easy argument  
 that safety  
 standards  
 were being  
 scrapped.  
 Plcb.*

(A)

BC and I have also examined the ideas which Mr Lynk put forward at his meeting with you last week for enabling members of the UDM to take over deputies' responsibilities. I am afraid that they do not solve the problems created by the legislation; and Roy Lynk has now accepted this publicly. The reason is that the UDM does not have men available in any numbers with the mining qualifications required under the legislation to discharge a deputy's duties.

#### UDM

(B) However, BC are anxious to do everything they can to strengthen the UDM's long-term position. In particular, they intend to give the UDM the right to form a branch for deputies; to give UDM members the training required to become deputies; and to lay down that in UDM majority pits only members of the UDM deputies branch, when it had been formed, would be accepted as deputies. Members of NACODS would be given the opportunity to transfer to the new UDM branch. BC do not intend to make these intentions publicly known, at least at this stage, since they would seriously complicate the situation with NACODS. However, in the longer term they will help ensure that the UDM continues to offer substantial advantages to its members.

  
PP. Secretary of State for Energy

(Approved by the Secretary of State  
and signed in his absence)

1st.  
February 1988



PRIME MINISTER

THE NACODS DISPUTE

I gather you wanted a note on the background to the dispute and the scope for others taking over the duties of NACODS' members.

I have been pressing the Department of Energy for a note on this since your meeting with the UDM. One is now promised for tomorrow following a further meeting between Mr. Parkinson and Sir Robert Haslam this evening. But you may like a brief note this evening of my understanding of the position.

There are two main other groups who could take over the work of NACODS' members:

- (a) the under managers who are members of BACUM;
- (b) UDM members.

In either case, the individuals would need to have three qualifications:

- (i) a first aid certificate;
- (ii) a certificate effectively of abilities both to smell and to hear;
- (iii) a certificate of mining competency.

I gather that most BACUM members already have certificates (ii) and (iii). Many apparently do not have first aid certificates but can probably obtain them in 20 minutes or so. But I sense that British Coal are reluctant to press the under managers to secure the certificates, and in turn to take over the duties of NACODS' members.

As far as UDM members are concerned, as Mr. Lynk told you, most already have the first and second certificates, but not the third. There is no statutory obstacle to their seeking to



obtain the third certificate, that of mining competency, but training for this does normally require courses spread over a period of 16-20 weeks (rather longer than Mr. Lynk implied). To judge from what Mr. Lynk said, UDM members would certainly be willing to undergo crash training to get the certificate. But again, the key question is how far British Coal are prepared to put themselves out to facilitate this.

So the position seems to be:

- (i) in the short-term it certainly would be possible for BAC~~UM~~ members to take over the duties if they were willing to do so;
- (ii) over the period of the next few months it would be possible to get significant numbers of UDM members qualified to take over NACODS' duties.

But in both cases a major issue is how far British Coal management will press things.

In the light of what the Department of Energy report tomorrow following <sup>the</sup> talk with Sir Robert Haslam, it might be worth your raising this issue with Mr. Parkinson when you see him in the middle of this week. Any continuing strike action in the immediate future is unlikely to be particularly damaging. But things would be much more serious if a co-ordinated campaign was to start in the autumn with a view to next winter's peak demand period. You will want to ensure that well before then action is taken to ensure that the Nottinghamshire pits at least could be kept going without NACODS' members at work.

Rece.

PAUL GRAY

1 February 1988

LOGADS





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cc136

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ  
01 211 6402

Prime Minister 4

RHC 6  
30/3

Nick Wilson Esq  
Private Secretary to  
The Rt Hon Norman Fowler MP  
Secretary of State  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

30 March 1988

Dear Nick,

ms

#### COAL INDUSTRY PAY

My Secretary of State wrote to yours on 7 March about the outcome of the National Reference Tribunal's consideration of colliery official's pay. He has now seen Mr Fowler's letter of 22 March and has asked me to write to you with British Coal's calculations of the detailed effects of the National Reference Tribunal's decision, which is, of course, binding on both them and NACODS.

The 4.28% increase on basic wages will add 3.5% to the wage bill for officials. In addition, the hourly rates of weekend working as determined by the National Reference Tribunal will add a further 4.0% to the wage bill. However, British Coal hope that much of the costs of this change will be offset by a reduction in weekend working, particularly on Sundays when other mineworkers receive pay at double time rates. Managers are being urged to make arrangements for weekend working so as to minimise wage costs. The effect of the settlement on the average official's earnings is comparable. This will help to restore the differentials between the average wages of officials and mineworkers, which have been eroded since last year's settlement, when bonuses for officials were consolidated into basic weekly wages.

The increases in basic pay are now being implemented and backdated to 2 November. Details of the changes in hourly rates for weekend working are to be discussed with NACODS shortly.



Following the ending of the NUM overtime ban, British Coal decided to pay the increase of 4.28% on basic wages to members of the NUM; but it will not be backdated to November. The 4.28% increase has been paid to UDM members since November. The effect on average earnings of NUM members will be an increase of 3.4%.

I am copying this letter to the Private Secretaries to the Prime Minister and the Chancellor of the Exchequer.

*Yours sincerely*

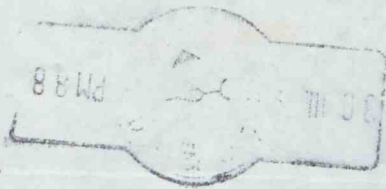
*Stuart Brand*

STUART BRAND  
Private Secretary



Nat Ind: Coal

Pr 21.





*cebg*

Caxton House Tothill Street London SW1H 9NF

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Telephone Direct Line 01-213.....

Switchboard 01-213 3000 GTN Code 213

Facsimile 01-213 5465 Telex 915564

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy  
Thames House South  
Millbank  
LONDON  
SW1P 4QJ

*NBPM*

*ffcg*

*11/6*

*March 22.*

*Dear Cecil*

**NRT DECISION ON NACODS PAY**

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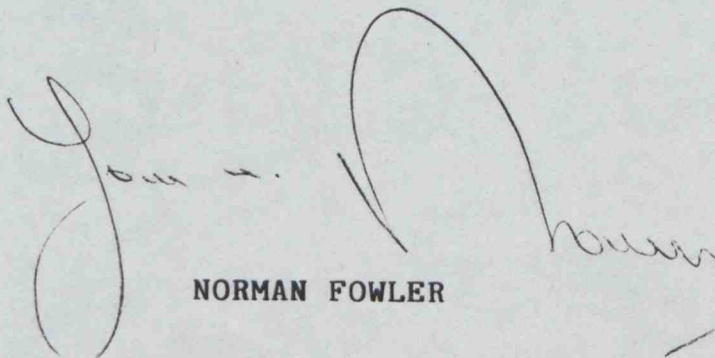
Thank you for your letter of 7 March about the decision of the National Reference Tribunal on the pay of members of NACODS.

The Tribunal's decision to uphold British Coal's offer of 4.28% on pay rates is welcome. Any increase in this part of the package could clearly have had undesirable repercussions elsewhere in the industry as well as adding more to costs.

The new hourly rates for weekend work proposed by the Tribunal look high, however. They are well above the rates offered by British Coal, which were themselves comparatively expensive in terms of average earnings, although I appreciate that there may be savings to be had from changes in the proposed method of reckoning hours for payment.

I hope we shall find that the overall cost of the package on average earnings is not unduly generous, particularly given British Coal's apparently tough and business-like handling of this dispute.

I am copying this letter to the recipients of yours.

*Yours faithfully*  


**NORMAN FOWLER**



NAT INDUSTRIES: Coal pr 21





SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ  
01 211 6402

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

**NRT DECISION ON NACODS PAY**

You will have seen in the press that the National Reference Tribunal has upheld British Coal's 4.28 per cent wage offer for colliery officials who are members of NACODS.

The Tribunal also upheld British Coal's proposal for weekend work by officials to be paid on an hourly basis, instead of on a shift basis. The NRT have proposed that the weekend hourly rates should be £10 for overmen and £9.45 for deputies instead of £8.43 and £7.93 respectively proposed by the Corporation. However, because pay for weekend work is to be calculated on a complete hour basis rather than for part hours, the Corporation believe that the effect of increased rates will be no more costly to them than their original offer, but they are checking the detailed impact of the award on average earnings.

The Corporation regard the outcome of the Tribunal as very satisfactory and propose to implement the 4.28% settlement immediately, backdated to 2 November 1987, providing there is no further disruption by deputies. NACODS' reaction to the Tribunal decision is unclear.

However, the NRT criticised both the Corporation and NACODS for being in breach of their conciliation agreement since the NUM strike, and urged a restoration of normal consultations. One of the first issues which the two parties will need to discuss will be the detailed implementation of weekend payments. Other grievances with NACODS will also be discussed within the consultation machinery, but the dispute over seven-day rostering has also been referred to the NRT.

I am copying this to the Prime Minister, Nigel Lawson and Sir Robin Butler.

CECIL PARKINSON

HA  
cc B6  
Prime Minister  
A reasonably  
satisfactory  
comment to  
the result of the  
NUM vote.

7<sup>th</sup> March 1988

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7/3

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*[Handwritten signature]*  
*[Handwritten signature]*



CONFIDENTIAL



CCB6

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
London  
SW1P 4QJ

Dear Cecil,

4 December 1987

NBRM

## COAL INDUSTRY PAY

Thank you for your letter of 27 November about the current negotiations with NACODS. A settlement along the lines you describe would be very acceptable.

Please keep me in touch with any further developments on the NUM front.

I am copying this letter to the Prime Minister, members of E(PSP) and Sir Robert Armstrong.

Yours Ever,  
John

JOHN MAJOR

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CONF

PT 21





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ccB4



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6460

Switchboard 01-213 3000 GTN Code 213

Facsimile 01-213 5465 Telex 915564

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy  
Thames House South  
Millbank  
London SW1P 4QJ

5 December 1987

Dear Cecil

NBM

**COAL INDUSTRY PAY**

You wrote to John Major on 27 November about British Coal's prospective pay deal for NACODS members and prospects of pay talks with the NUM.

A proposed NACODS settlement worth 4% on paybill would be welcome news. However, at first sight, it is difficult to see how a 4.28% increase on grade rates, a change in the method of calculating weekend overtime and unspecified additional money to gain acceptance of the deal could collectively add up to only 4%. I should be glad to know that your officials are satisfied with BC's costings. I would particularly like to be clear on whether the effect of the proposed deal on average earnings, as distinct from the paybill, is any different from 4% and whether there are any additional forward costs which would add more to average earnings after the first year.

I am copying this letter to the Prime Minister, Sir Robert Armstrong and members of E (PSP).

NORMAN FOWLER

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SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

The Rt Hon John Major MP  
Chief Secretary  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

NBM.

27 November 1987

Dear John,

COAL INDUSTRY PAY

Thank you for your letter of 17 November.

British Coal had their first negotiating meeting with NACODS on 25 November and a further meeting will take place on 7 December. As your officials are aware, the Corporation is aiming at a settlement broadly similar to the second year of the UDM deal already settled - that is, an increase of about 4.28% on basic grade rates (with some rounding up and down within the different grades), and a change to the procedure for weekend overtime payments from a rate per shift to an hourly rate. Some extra money will be on the table to gain the union's acceptance of this change. However, BC estimate that the overall package, which would be payable from 2 November, would add 4% to the current wage bill for NACODS members. I will keep you in touch with any further developments.

On the NUM I believe there is little prospect of any talks between the Corporation and the union about 1987-8 pay levels until after the proposed election for the presidency on 22 January.

I am copying this letter to the Prime Minister and members of E(PSP) and to Sir Robert Armstrong.

Yours Ever,  
Cecil Parkinson

CECIL PARKINSON

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CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
London  
SW1P 4QJ

17 November 1987

*Dear Cecil,*  
  
N.B.M.  
**COAL INDUSTRY PAY**

Thank you for your letter of 4 November.

The position reached between British Coal and the UDM is satisfactory and I hope a similar deal can be reached with the NUM once their overtime ban has ceased. It remains to be seen how this will be affected by Mr Scargill's decision to resign and seek re-election.

The claim by NACODS is totally unacceptable and I trust British Coal will stick to an offer in line with inflation. I would be grateful for details as soon as British Coal make them available.

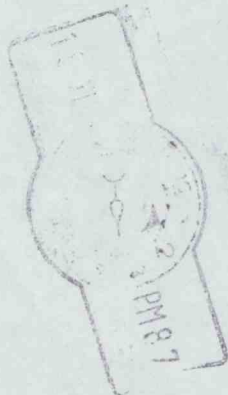
I am copying this letter to the Prime Minister, members of E(PSP) and to Sir Robert Armstrong.

*Yours Ever,*  
*John*  
JOHN MAJOR

NAT. IND

Coal

PT 21





RESTRICTED



SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ  
01 211 6402

*cc BG*  
*Prime Minister's*  
*DLN*  
*S/11.*

The Rt Hon John Major MP  
Chief Secretary  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

4 November 1987

*Dear John,*

COAL INDUSTRY PAY

Peter Walker and David Hunt wrote to your predecessor on 7 November, 23 January and 13 April about British Coal's wage offer to the Union of Democratic Mineworkers (UDM) for 1986-1987. The package finally agreed included a second year element payable from this month and linked to the level of inflation.

British Coal last week agreed with the UDM to implement the second instalment of the deal from 2 November. The award is worth 4.28% on grade rates, equivalent to 3.4% on gross pay.

The Corporation in announcing the award made clear that it will not be paid to National Union of Mineworkers (NUM) members while the union's current overtime ban continues. Nor will it be backdated when the ban ends.

British Coal last week also received a claim from the National Association of Colliery Overmen, Deputies and Shotfirers (NACODS) for a flat rate £25/week increase (equivalent to about 10%) for all four grades represented by the union. While a final decision has not yet been taken, I understand the Corporation intend to offer no more than an inflation related increase. I have asked my officials to let yours have the details as soon as they become available.

I am copying this letter to the Prime Minister, Members of E(PSP) and to Sir Robert Armstrong.

*Yours*  
*Er,*  
*Cecil*

RESTRICTED

CECIL PARKINSON

NAT IND: Coan pt 20.

