



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

E
PA (CF file)

MS

01 211 6402

T Lankester Esq
10 Downing Street
London SW1

18 February 1981

Dear Tim,

COAL

As you know Mr Howell, Mr Moore, Mr M. Roberts, Mr Fletcher and officials met the NCB and representatives of the three mining unions this evening in the preliminary Tripartite discussion requested by both sides of the industry.

Sir Derek Ezra described the reasons behind the Board's package of 10 February and subsequent announcements at Area level of pit closures. The unions rehearsed their deep felt fears and anger at these proposals. It was clear that, without the suspension of these proposals and some action on coal imports, the move towards widespread strikes in the coal fields would be uncontrollable, and the industry could be at a standstill by Monday.

Therefore, Mr Howell said that:

- a. coal imports would in any case fall from $7\frac{1}{2}$ m tonnes in 1980 to $5\frac{1}{2}$ m tonnes in 1981. The Government would be prepared to look, with a view to movement, at what could be done to reduce this figure towards its irreducible minimum (ie those quantities of coal not produced domestically - perhaps 1 m tonnes);
- b. the unions had argued that Government financial constraints were a burden which the industry could not sustain. The Board and unions should therefore stand back from these in order to discuss a pattern of proposals for closures consistent with Plan for Coal and the severe economic realities. The Government was prepared to discuss the financial implications with an open mind and also with a view to movement.



This in itself did not much move the unions, and Mr McGahey and Mr Daley of the NUM insisted that the Board should withdraw its closure proposals." Ezra said that in the light of the Government's willingness to review the financial constraints on the industry, the NCB would withdraw their closure proposals and re-examine the position in consultation with the unions. "

Mr Howell is clear that this was the least necessary to avoid intensifying strike action in the Areas and avert a decision at tomorrow's executive committee meeting of the NUM to ballot the miners for a national strike. He cannot say whether, in fact, it will suffice but Mr Gormley was plainly ready to argue for moderation. Gormley was also anxious for tripartite discussions to continue and argued that the meeting scheduled for next Wednesday should take place even if there was by then little progress to report. This was agreed.

I am copying this to the private secretaries of Cabinet Ministers and David Wright.

Yours truly

J D WEST
Private Secretary

COLLIERY CLOSURESNo hit list.COMPLETE COALFIELD LIST

THERE ARE 23 COLLIERIES ON THE NATIONAL COAL BOARD'S LIST FOR CLOSURE DURING THE FINANCIAL YEAR 1981-2, INCLUDING THREE ALREADY WITH THE TRADE UNIONS.

THESE COLLIERIES WILL TOGETHER PRODUCE 4.3M TONNES OF COAL DURING THE YEAR ENDING IN MARCH AT A TOTAL LOSS OF £74M. OR £17.21 A TONNE.

TOGETHER THEY EMPLOY JUST OVER 13,000 MEN. IT IS ESTIMATED THAT, PROVIDED UNION CO-OPERATION CONTINUES TO BE AVAILABLE OVER VOLUNTARY RETIREMENTS OF OLDER MEN AT NEIGHBOURING COLLIERIES TO MAKE ROOM FOR YOUNGER MEN FROM THE CLOSING PITS - WHICH HAS BEEN THE CUSTOM IN THE INDUSTRY - FEWER THAN ONE-THIRD OF THE TOTAL NUMBER OF MEN WILL BE UNABLE TO FIND JOBS IN THE INDUSTRY.

THERE WILL BE NO CLOSURES IN FOUR NCB AREAS - BARNSELY, DONCASTER, NORTH DERBYSHIRE AND NORTH NOTTINGHAMSHIRE. NOR WILL ANY PITS CLOSE IN NORTHUMBERLAND, CUMBERLAND, NORTH WALES, SOUTH DERBYSHIRE OR LEICESTERSHIRE.

THESE FACTS HAVE BEEN ANNOUNCED AT AREA MEETINGS IN THE LAST FEW DAYS BETWEEN NATIONAL COAL BOARD MANAGEMENT AND LOCAL LEADERS OF THE NATIONAL UNION OF MINeworkERS, NATIONAL ASSOCIATION OF COLLIERY OVERMEN, DEPUTIES AND SHOTFIRERS AND THE BRITISH ASSOCIATION OF COLLIERY MANAGEMENT.

WITHOUT EXCEPTION THE CLOSURES ARE AT PITS WHOSE RESERVES ARE VIRTUALLY EXHAUSTED, OR WHERE THERE ARE EXCEPTIONAL MINING PROBLEMS. THE AVERAGE AGE OF THE COLLIERIES IS 93 YEARS.

COMMENTING ON THE LIST, SIR DEREK EZRA, CHAIRMAN OF THE BOARD, SAID: "IT IS NECESSARY FOR THE FUTURE OF THE INDUSTRY THAT WE SHOULD REDUCE OLD AND DECLINING CAPACITY WHICH, THROUGH NO FAULT OF THE MEN INVOLVED, REPRESENTS A BURDEN ON THE REST OF THE INDUSTRY.

"WE ARE INVESTING IN THE NEW AND RECONSTRUCTED COLLIERIES WHICH MUST FORM THE BASIS FOR RESUMED EXPANSION WHEN THE INDUSTRY HAS COME THROUGH THE PRESENT RECESSION. THIS WILL SAFEGUARD AND PROVIDE NEW JOBS FOR THE FUTURE.

"SINCE 1974 WE HAVE STARTED ON 200 MAJOR PROJECTS AT A TOTAL COST OF £2,000M. SOME OF THE COLLIERIES WHERE THE SCHEMES HAVE BEEN COMPLETED ARE AMONG THE MOST EFFICIENT DEEP MINES IN THE WORLD.

"WE ARE CREATING A NEW INDUSTRY OUT OF AN OLD ONE. IT WILL BE CAPABLE OF PROVIDING SECURE JOBS IN BETTER CONDITIONS.

"THE MEN WHO, AS A RESULT OF THE URGENT ACTION WE ARE HAVING TO TAKE TO BRING OUTPUT AND DEMAND INTO BALANCE, WILL BE LEAVING THE INDUSTRY, WILL MAINLY BE OLDER MEN. THEY MUST BE REPAID DECENTLY.

"IT IS THAT THIS WILL BE ONE OF THE RESULTS OF THE TALKS STARTING WITH THE GOVERNMENT TONIGHT