

*No action until Energy
have cleared lines
with all Dept's concerned -
a further letter is expected.*

MAD 5/2.

SECRETARY OF STATE FOR ENERGY
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01 211 6402

P Stredder Esq
Private Secretary to the Secretary of State
for Industry
Department of Industry
Ashdown House
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31 January 1980

Dear Pete,

It was agreed in H Committee on 27 November 1979 that the Government would be prepared to accept the extra cost of improving the coal industry pneumoconiosis scheme so as to provide better compensation for the pre-1970 widows at a cost not exceeding £10m.

We still owe the NUM an answer to their letter on this subject sent to us in 19 December 1979, and it would be embarrassing and minimise the beneficial impact of the Government decision if we had to be reminded. We would therefore propose to write in the enclosed terms to the unions concerned on Monday 4 February, and have an arranged PQ answered in terms of the enclosed draft on Tuesday 5 February; I would be glad to know that you see no objection to this.

I am copying this letter and its attachments to Nick Saunders (No. 10), and to David Wright (Sir Robert Armstrong's office).

Yours ever,

Denis

Denis Walker
Private Secretary

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L Daly Esq
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National Union of
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January 1980

PNEUMOCONIOSIS COMPENSATION


Thank you for your letter of 19 December 1979.

I have considered most carefully the case you make for improving the compensation made available for widows whose husbands died before 26 January 1970, especially in the light of the Scheme recently made under the Pneumoconiosis Etc (Workmen's Compensation) Act 1979. Bearing in mind the changes that have taken place in the value of money since the coal industry compensation was paid, I believe the two schemes, on the whole, represent fair comparison.

Nevertheless I can understand the problems which are raised by paying different amounts to widows whose circumstances may be similar, simply because the official records were no longer available in one of the two cases. For this very reason it is clearly impossible to provide exact comparability and the solution you propose, namely to increase the minimum payment to £600, seems to be the most equitable way of dealing with this unhappy situation. I am therefore pleased to tell you that the Government is prepared to provide finance to enable the National Coal Board to make additional payments, so as to bring their total compensation up to £600, to those previously compensated under the Scheme with amounts less than this figure.

I am sending a copy of this letter to the General Secretaries of NACODS and BACM who wrote in support of your request, and to the National Coal Board with whom I suggest you and they should now liaise in order to arrange the method of paying the additional compensation.

I should add that the Government's decision must be subject to securing Parliamentary authority for the necessary Government payment but I hope to be able to arrange for an appropriate provision as soon as possible.



I am sorry to say that the Government are regretfully unable to accede to your other request, that those men who commuted their workmens' compensation for a lump sum should be included in the Scheme. We have to remember that the whole purpose of the Scheme was to provide a standard framework of compensation for those with outstanding claims against the Board, and since the commutation was invariably done in discharge of all liability for further compensation, the men who did commute are by definition outside the scope of the Scheme.

D A R HOWELL