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Rt Hon Sir Geoffrey-Howe QC MP
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9/ December 1982

Geoffrey

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THE SOUTH WALES NUM STRIKE DEMAND

As you will have seen from Press reports, the South Wales Area of the NUM has threatened to call a strike with effect from 17 January, unless the NCB give them various undertakings, including promises of higher recruitment and investment. The call has been backed by substantial show-of hands votes at most of the coalfield's 33 pits. (A full ballot vote is not necessary before an individual NUM Area calls a strike). However, Emlyn Williams, the South Wales NUM President, is reported as saying that the date for action has been set well into the future so as to provide ample time for meaningful negotiations. As a first step, the Welsh NUM would like a meeting with the Chairman of the Board.

The rules of the NUM provide that an Area wishing to take industrial action must obtain the consent of the union's National Executive Committee before doing so. (This committee next meets on Thursday 13 January). It can be expected that South Wales's move will not be overtly opposed by the other Area leaders on the NEC, though it is by no means certain that, if a strike were to start, it would 'spread like wildfire' to other coalfields, as Arthur Scargill has suggested.

The South Wales Area poses the most difficult problems of all the Board's Areas in terms of returning to viability. Its operating loss was some £96 million in 1981/2, out of a total operating loss on deep mining of £226 million. This year the loss may be £125 million, or over £15 per tonne of coal produced. Productivity as measured by output per manshift was only 61% of the national average (1.47 compared to 2.4).

The pace of closures in South Wales in the last three years has been slow; three full and three partial closures have been carried out. The number of men on colliery books has also fallen more slowly than in other loss-making Areas: by only 4% during 1981/2 as compared to nearly 12% in Scotland, over 9% in the North East, and over 5% nationally. The reduction in South Wales



manpower has been limited because the NUM there have until recently done their utmost to prevent men from accepting redundancy under the improved terms, which have proved attractive elsewhere. The NCB have responded by holding down recruitment to a very low level. This caused resentment since miners have been anxious to find their sons jobs in the pits, given the poor employment prospects in Wales. More recently it has proved possible to obtain some redundancies, so that during the first six months of 1982/83 manpower fell at a rate equivalent to 7-8% in the year. But there is much leeway to be made up in comparison with other Areas.

Investment in South Wales has been falling as a proportion of the Board's total investment since 1977/78. This reflects the Board's wish to optimise the return on their investment funds, particularly by investing in the most profitable coalfields. In the recent past the Board has been particularly reluctant to invest in South Wales in view of the low level of closures and or manpower reduction.

It was against this background that the South Wales NUM recently saw Philip Weekes, the Area Director. Weekes was, of course, unable to hold out much hope of either increased investment on increased recruitment, other than promising two or three small schemes already in the pipeline.

Norman Siddall has decided to see the South Wales NUM in January. Whilst he was reluctant to see them under threat of a strike, he believes that a meeting might help divide the South Wales NUM from Arthur Scargill. Although Scargill has been encouraging the South Wales NUM to take action, in the hope that this would spread to other coalfields (as in February 1981), and give him the national strike he failed to secure in the recent ballot, the South Wales NUM are more interested in negotiating increases in investment rather than acting as Scargill's shock troops - there is little love lost between Emlyn Williams and Scargill.

Furthermore, Siddall sees advantage in delaying any industrial action in South Wales for a few weeks, while the Board assess reactions on the two current closure issues outside South Wales (Kinneil in Scotland and Snowdown in Kent), and a possible further closure in Scotland (Sorn). For this reason also the Board have now agreed to a joint technical examination with the NUM of the position at Britannia colliery (which will inevitably close within two years unless the Board sanction further investment). Scargill is reported as having said this is a surprisingly optimistic approach and this in itself may lead the NUM to postpone their action. However, when Siddall does see the South Wales NUM, he will not be able to offer them any substantive concessions, although he would prefer to be able to keep the discussions going for some time.

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I should report further as the Board's thinking and the situation develops.

I am copying this letter to the Prime Minister, the Home Secretary, the Secretaries of State for Defence, Scotland, Industry, Transport, Wales and Employment and to John Sparrow and to Sir Robert Armstrong.

John Moore
JM

JOHN MOORE

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31 December 1982

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Dear John

THE SOUTH WALES NUM STRIKE DEMAND

It was helpful to have the full report in your letter of 21 December about the industrial relations position in South Wales. I am sure that colleagues will want you to continue to keep them in the closest touch with these sensitive matters.

I am sending copies of this letter to the Prime Minister, the Home Secretary, the Secretaries of State for Defence, Industry, Scotland, Transport, Wales and Employment and to John Sparrow and Sir Robert Armstrong.

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GEOFFREY HOWE