



10 DOWNING STREET

PRIME MINISTER

Sent to you by Alfred  
Sherman on the coal  
industry.

*Sherman*

Stephen Sherbourne

19.3.84



PERSONAL & CONFIDENTIAL.

Relevant to the Strike, hence urgent.

Memo. 19/3/84.

"IN PLACE OF MINING"

This is a perspective for the Miners, to show them a way out of conflict while reducing the burden of uneconomic coal-mining. It proposes new arrangements for the employment of miners which could help reduce their resistance to pit-closures and undermine Scargill's stand.

This is relevant to the present strike; coming events cast shadows before.

According to an estimate by Ferdie Mount, the NCB costs us a real gross subsidy of about two billion pounds a year, just to keep miners in the pits and Miners' Union bosses in their offices, the TUC General Council and a bloc vote in the Labour Party. This works out at about ten thousand per miner per year, in other words, it would be cheaper to pay them wages to stay at home, to avoid the "complementary cost". Naturally, when it is broken down by areas and pit, where there is a cost differential of a factor of about five between most and least productive, it becomes even more anomalous.

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Our problem is that the miners believe that they have a divine right to well-paid employment, in arduous but useless work. Many of their fellow trade-unionists, and others besides, believe this too. While working in the longer term to change these perceptions, in the shorter term we have no choice but to work within them.

How, then, can we wean the miners from expensive coal-digging onto something cheaper, and, if possible, more useful?

I think there is an answer: for the NCB to engage systematically in land-reclamation and restoration as part of its remit.

As you know, coal-mining and iron and steel between them have scarred large areas of Britain. Though Department of Environment papers talk boldly about land-reclamation, it actually proceeds more slowly than further spoliation. (The great advantage of open-cast mining over deep maining is that the former permits of hundred per cent restoration at the end of the operation.)

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Land-spoliation is not only environmentally distressing, but a great economic disincentive. The first law of the economics of location is that enterprises are located where the Chief Executive's wife would like to live. Vast tips and slag-heaps put her off, and everyone else too, hence they keep new industry away from mining and metallurgical areas where we need it most.

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But land-reclamation and restoration costs money, and has been under-researched into the bargain. But it remains in quite a different category from deep mining of uneconomic coal. Like Old-Age Pensions, land-reclamation and restoration are intrinsically good, provided one can afford them.

— So why not give the Coal-board long-term contracts for reclamation and restoration. There are many advantages.

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\* Unlike new mines, whose location is determined mainly by geological considerations, often in conflict with existing settlement patterns, reclamation can be justified within working distance of almost any miners' settlement.

\* It is cheaper than deep mining.

\* It produces something of real undeniable value.

\* The miners themselves stand to gain from it environmentally, and also economically, as it helps attract new industry.

\* It will appeal to a wide range of public and political opinion well beyond our own "constituency".

\* It requires no new technology, other than further applied research into uses for slag-heaps and tips and reparation of vegetation, which can be undertaken by local institutions of higher education and research.

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\* It can be undertaken at fairly short notice, using British-made machinery.

\* The work is not so different from what many Coal Board employees to anyway.

\* It would keep the unions busy negotiating the minutiae, and thereby help keep them out of mischief.

I know it may be untidy to guarantee one section of the population work, while others like the rest of us have to take pot luck. But this is an imperfect world, and we have to start from where we are now.

A joint announcement from Environment, Employment, Energy and Agriculture that such a plan was being worked out could help create a more propitious climate among miners and their fellow-unionists for a settlement which would put Scargill well under the ground. It would certainly please the Welsh, whose valleys were beautiful before mining came, and could be made beautiful again at much less cost than it takes to keep Bach underground.

It would also rank as an exciting new idea, and give TV cameramen and Sunday Coloured Supplements a field-day. Why not try a flutter?