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CPRS STUDY OF THE NCB/NUM PROBLEM

Paragraph

INTRODUCTION

SECTION 1:	THE NCB/NUM PROBLEM: A SHORT DEFINITION	1
SECTION 2:	THE BALANCE OF POWER	7
A:	Measures to reduce the power of the NUM	8
B:	Measures to make miners reluctant to use their power.	41
	Conclusion on Balance of Power	55
C:	Special Features affecting the balance of power in relation to the 1981/82 settlement.	56
D:	New Factors in the balance of power by the time of the 1982/83 Settlement.	62
E:	Alternative strategies for the Medium Term.	65
	CONCLUSIONS AND RECOMMENDATIONS	77
Annex A:	The Relevance of Employment Legislation.	
Annex B:	Role of Coal in Power Generation by ESI in England and Wales in 2000 and 2010.	

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INTRODUCTION

On 8 June 1981 the CPRS was invited by the Prime Minister to prepare a first study on the NCB/NUM problem in association with John Hoskyns, consulting other Departments as appropriate. The Prime Minister emphasised the importance of keeping very tight security on the study. The CPRS was asked to suggest answers to the following questions:

- (a) What is the fundamental nature of the problem?
- (b) What can be done to correct the balance of power, so that it is more in the Government's favour?
- (c) What are the main implications of all this for other aspects of overall policy?

We report here on items (a) and (b), and have specifically considered the balance of power in 1981, 1982 and in the medium-term; as well as suggesting a number of measures which would only have long-term effect. The wider implications of the balance of power (item (c)) primarily effect pay, and these will be considered further in the study on the framework of pay bargaining which we are due to submit in September.

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SECTION 1: THE NCB/NUM PROBLEM: A SHORT DEFINITION

1. NUM power is based on:

- importance of coal-fired power stations, which supply some 75 per cent of electricity
- effective monopoly of supply through import restriction
- and hence possibility of slow strangulation of the economy, together with a history which gives miners:
 - a unique degree of public sympathy
 - a unique community solidarity
 - a particular claim on the solidarity of other trade unions

plus a confidence based on the successful use of that power (or the threat of it) three times in the last decade.

2. This power can be, and from time to time has been, used:

- to obtain high pay settlements, with damaging knock-on effects on other groups;
- to ensure substantial subventions to the coal industry at high cost, and with damaging effects on the overall economic stance of the Government; and potentially it allows challenges to Government authority on wider issues.

3. Pay: insofar as miners' settlements raise the level of other settlements they are costly to the PSBR and increase inflation. The problem that results from a high miners' settlement is most acute under a formal pay policy (as 1971/72 and 1973/74). It is potentially serious at any time. The miners' high relative wage position and new-found affluence now probably limit their aspirations, but these are still likely to exceed the general level of pay rises needed if inflation is to continue to fall.

4. Cost: all energy sources have become much more costly. But NCB's costs are excessive because of its substantial tail of uneconomic pits whose closure is thwarted by NUM power. The concentration in South Wales (and certain other areas) makes this more difficult to solve. In addition NCB's monopoly position protects it from pressures to reduce costs and increase productivity as much as is possible.

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5. Political: NUM power could be used to subvert government authority on a wider front if joined to other forms of extra-parliamentary opposition.

6. The definition of the problem suggests the following objectives for Government:

- i. to achieve the lowest possible miners' pay settlements
- ii. to improve the efficiency, and to contain the costs to the Government, of UK coal production
- iii. to prevent NUM power being used to subvert the authority of Government.

SECTION 2: THE BALANCE OF POWER

7. We consider ways in which the Government can hope to shift the balance of power which is at present tilted in favour of the miners (paragraph 1) under two broad headings:

- reduce the power of the NUM
- make the miners more reluctant to use the power.

A. Reduce the power of the NUM

8. Again the action falls under two headings:

- increase the ability to withstand a strike
- weaken the NUM's effectiveness in a strike

(a) Increase the ability to withstand a strike

(i) Increase power station coal stocks

9. Methods of improving the endurance of power stations in 1981 have been examined in a report by MISC 57 to the Home Secretary. Coal stocks at power stations are being increased and, in conjunction with increased oil-burn, should give 11-12 weeks endurance at normal usage. This can be extended to 13-14 weeks if the grid is run at 85 per cent with the major problems for consumers (and therefore politically for the Government) associated with this. Adequate stocks of ancillary materials are also essential to achieve this.

10. The Department of Energy is now reporting on measures by which the CEGB might be able to meet an endurance target of 20 weeks by November 1982. In considering which measures should be implemented the Government must consider both cost and the effect on miners' attitudes.

SECRET

11. In making this decision Government should view the problem as a continuing one. It will arise year after year, unless and until there is a radical change in attitudes or in the balance of power. Each year is likely to have its special problems; for example in 1982 a new Chairman of the NCB and a new President of the NUM will be staking out their positions and there will be a particular risk of confrontation. However, it would be a mistake to regard any single year in the coming decade as necessarily marking the end of the crucial phase of the balance of power problem.

(ii) Make transport of pithead coal easier

12. There are large pithead stocks of coal at present, but in a strike NUM pickets would effectively stop members of other unions moving these to power stations by rail or road.

13. The use of troops has been examined in the report by MISC 57. It would substantially increase endurance times - i.e. directly and indirectly by about 11 further weeks. However the report concludes that there would be severe practical problems in the use of servicemen.

(iii) More imports

14. As MISC 57 also shows, coal imports, if obtainable, and if they could be transported to power stations, might increase power station endurance by 10-12 per cent. Immediate expenditure at certain ports might raise this to about 15 per cent by 1982. But imports are a particularly sensitive issue and if coal could be landed there are still likely to be problems of transporting it within the United Kingdom.

15. The scope for coal imports will increase materially in the long run because:

i. world trade in steam coal for power stations will develop enormously (principally from USA, Australia and South Africa);

ii. a large number of the CEGB's major inland coal-based power stations, which were built in the 1960s, will become due for replacement or refurbishment in the 1990s, and, if refurbished, for replacement in the 2000s.

16. As set out in Annex B, even assuming a successful nuclear programme, it will be prudent to make provision for a number of new coalfired power stations

for the 1990s and 2000s. This may provide the opportunity for a programme of coastal coalfired power stations, able to use imported coaleconomically. At present, the CEEB has one suitable site for a coal terminal and power station, Killingholme on Humberside. It is also investigating a coastal power station site at Inwork Point, near Plymouth. To get the best economies power stations need to be at a major coal port, capable of receiving large coal carriers, or near it with facilities to move the coal reliably to the actual power station. Sites suitable for major coal ports are scarce. A major coal port requires major investment (about £100m), although if British Steel Corporation ceased to import iron ore for steel-making at Hunterston, Port Talbot or Redcar, these facilities could be used, and act as links to new coastal power stations.

17. The CEEB has been inhibited from pursuing a strategy based on coal imports because its attempts to import have more than once met with a Government veto at NUM insistence. It is therefore essential to retain the right to import, and extend it when a suitable opportunity occurs, to strengthen the Government's position in the longer term.

18. There is much work required to establish the full scope for coal ports in the UK, and associated coastal coal-based power stations. Such a policy would provide some safeguards against delays in the nuclear programme (discussed at (v) below), but it is most unlikely that it could fully compensate for its total failure. But since the pace of the nuclear programme still remains uncertain we recommend that a strategy of coastal coal-based power stations should now be examined in depth.

(iv) New internal sources of coal

19. New sources of coal within the UK might be developed by private capital in competition with the NCB. Some mines which the NCB may need to close through lack of funds for investment might attract the sort of outside capital now going into the Cornish tin-mines. Big projects such as Belvoir or South Warwickshire might be pursued by the NCB as joint ventures with private capital.

20. In the long term we do not believe that private capital should be restricted to joint ventures with NCB. The NCB's statutory monopoly of exploration and development should therefore be removed in the medium term, and the objective should be to work towards a situation where the NCB competes on an equal basis in exploration and development under licence.

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21. These longer-term developments could help to make the NCB more commercially alert and competitive. But they will not help in withstanding a strike unless new developments are outside the control of the NUM. How far privately-owned deep mines could be detached from NUM negotiations and kept out of a strike must be a matter for conjecture.

22. The open-cast sites which produce 12 per cent of NCB's coal are worked by TGWU members. These continued production in 1972 and 1974 and could be expected to do so in a further NUM national strike. They could be hived off to private concerns, to detach them further from the NCB. They make large profits (1980/81 - £156m), therefore their privatisation would expose further the NCB's deep mined losses.

23. We recommend that the feasibility of (a) moving open-cast mines to the private sector and (b) allowing major private sector coalmining projects, should periodically be reviewed, even though such moves if taken immediately would lead to confrontation.

(v) Alternative sources of electricity - nuclear

24. To break the NUM's monopoly power it will be important to maintain a consistent programme of nuclear power-station ordering, on the lines suggested as a base for planning in the Government's statement of December 1979, and re-affirmed in the Government's recent reply to the Select Committee on Energy's report on the Nuclear Programme. The prime purpose of this programme is to produce cheaper electricity. However even if doubts about the capital costs of nuclear power stations made the economics less demonstrable they should still have an important strategic role in the future as a second source not only because of the miners' monopoly power but also because of the risk of increasing cost of fossil fuel. We therefore recommend that the case for nuclear power should be openly based on the need to diversify supply.

25. Even on this programme the United Kingdom would only be generating 30 per cent of its electricity from nuclear power in 2000. However, a successful nuclear programme will throw a shadow over coal's monopoly power long before this. What is required is that there should emerge during 1983/85 a conviction that the programme will succeed. On the other hand obvious failure to get the nuclear programme moving would reinforce the monopoly position of UK coal for another generation.

26. In theory a faster nuclear programme, similar to that undertaken under the previous French government, would bring forward the day when the grid can run

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SECRET

at 85 per cent or more without coal, thus enormously reducing the grip of the NUM. In practice we do not believe this can be envisaged at present because we consider implementation of even a 15GW programme in the UK by 2000, the best outcome present plans could produce, is going to be a major task to achieve. We recommend that every effort should be made to ensure that these plans do succeed on time. A more ambitious programme now would exacerbate the well-known problems, namely strain on the UK nuclear industry, burden on public sector financing in the late 1980s, and the difficulty of finding acceptable sites (especially for PWRs); it would stimulate much increased opposition (not least from the NUM) and would therefore be less likely to proceed with the smoothness required to impress on the coal industry that its monopoly of power generation is bound to disappear. Nevertheless if the present nuclear programme goes better than we at present fear, we recommend that the possibility of acceleration should be re-examined in a few years time.

(vi) Alternative sources of electricity - other than nuclear

27. Aside from oil-burn (considered by MISC 57), some coal-fired power stations could be converted over time to dual-firing with gas. But this requires a capital investment of about £200m for a 2GW power station, and therefore a programme large enough to have a major impact would be very expensive and almost certainly uneconomic. There would also be problems in making available the gas required.

28. We have considered other forms of energy supply - ie Severn Barrage (which would only replace 1GW worth of power station capacity), cross-Channel link with France, wind power, etc - but consider all of these, both separately and cumulatively, insufficient to have a substantial effect on the main problem. Less conventional energy sources such as solar power, biomass, hydrogen etc will only play a marginal role in the UK for the foreseeable future.

(vii) Reduce dependence on public electricity

29. The economies of scale in conventional electricity generation have meant that the most efficient power stations have become larger, and this is likely to reinforce the natural monopoly of the public electricity boards despite the Government's recent announcement about opening up electricity supply to private capital. A number of industrial electricity users already run their own generating plant but to have a significant effect on the balance of power with the NUM a very great increase would be required entailing a vast amount of capital. Most industrial users are unlikely to give priority to this form of investment in the foreseeable future.

SECRET

30. As energy prices rise the economics of selling Combined Heat and Power (CHP) will become more attractive, as set out in the Marshall Group Report on CHP (1979). A small 15MW plant pioneered at Hereford by the Midlands Electricity Board has proved a success because of local industrial requirements for heat. It is being followed by a similar plant for industrial users in Birmingham. A further scheme is to be developed for domestic district heating on an experimental basis. CHP schemes offer no easy answer to the balance of power with the NUM. Their increased fuel efficiency is based on substantial capital expenditure on heat transmission, and again their growth on any significant scale will therefore be restrained by capital availability. They offer reduced dependence on the big power stations and hence reduced vulnerability to unlawful picketing. New schemes will however be based on coal and to offer increased endurance they must have access to replenishment of coal stocks (normally to carry enormous coal stocks would damage their economic attraction). Since most CHP schemes are likely to be in inland industrial areas there could still be a problem of secondary action.

31. The other main opportunity for reduced dependence on coal-based electricity is therefore by reduced dependence on energy generally. As energy prices rise energy conservation becomes more attractive and energy-intensive activities less economic. Such trends could lead to a low growth of UK electricity consumption of only 0.4 per cent pa (as shown in Annex B). Any additional measures to encourage energy conservation are likely to encourage this trend towards lower growth. However the basic dependence on electricity from existing coal-fired stations will still remain into the next century.

(b) Weaken NUM effectiveness in a strike

(i) Employment legislation

32. We have considered the relevance of employment legislation to this problem ie

- a. Effective use of the Employment Act 1980
 - Section 16 re peaceful picketing at CEEB premises, thus protecting the inflow of ancillary materials and of imported coal;
 - Section 17 re secondary action thus allowing passage of imported coal and making sympathetic action unlawful;

- b. Possible other legislation, eg
 - to improve enforceability by making union funds liable for legal action

 - to give employers the right to lay off employees in certain circumstances (as proposed by the EEF),

Our conclusions, set out in more detail in Annex A, are that such measures might play a useful role in dissuading other unions, eg NUR, from sympathetic activity; but that they are not likely to have any great impact on miners' action. They would not cope with intimidatory mass picketing, as seen at Saltley Coke Depot in 1972 and at Hadfields in 1980, where the problem is one of enforceability rather than what the law permits.

(ii) Break up NUM unity

33. A broad aim should be to make miners see their interests as more closely linked with their own pits and areas, and less with the national concerns of the NUM. The NCB already promotes area identities; figures for operating profit and loss and for productivity are published by area (though not by individual pit), and discussions of closure already take place principally at area level. This process could be taken further, for example by regionalising the price structure, which would give greater incentive to the CEGB to maximise purchases from low-cost and well-located pits, and thus expose further the uncompetitiveness of others. The effect of the incentive scheme should be gradually to restore regional variations in pay, though there are limits on the pace at which this can be achieved.

34. However, to move precipitately to break up the NCB would risk weakening the industry's management and control, and will not by itself split the NUM. The only way in which that might be achieved would be to form, or bring in, another union. We do not believe that this is a serious possibility.

(iii) Break miners' community solidarity

35. Part of the NUM's strength in industrial dispute rests on the isolation of many members in small communities wholly dependent on the mining industry. The geographical distribution of the industry is changing, and it may be that over time this will reduce the sense of community. The increasing prosperity of the miners, and their exposure to communications, travel and other influences, should also help to weaken their isolation. But those can only

be long-term and marginal influences, outside the direct scope of Government action.

(iv) Isolate NUM from other unions

36. Again this is outside direct Government influence. At present the NUM has formed a 'Triple Alliance' with the NUR and ISTC. But its relations with other unions will vary from time to time, depending on economic, political and personal factors. In general, there is some prospect that, if the miners continue to obtain pay increases higher than other groups, there may be less inclination to support them - though their monopoly power will still be politically important in spear-heading demands from the labour movement.

(v) Operate on public opinion

37. In an industrial dispute the attitude of the public and the media can have an important influence on the unity and self-confidence of those on strike. The Government needs to counter a public tendency to sympathise with the miners, based on the history of the mining industry, and bad conditions under which underground miners still work, and - since the energy crisis - the importance of British coal. In addition Joe Gormley has a high rating with the public, although his probable replacement by Arthur Scargill creates a new situation.

38. The Government has a choice between:

(a) an urgent, high-pressure campaign getting over all the facts about NCB losses, NUM wage-rates, overcapacity etc and making clear Government's deep concern about them;

(b) a more low key approach, getting certain facts into public consciousness in order to provide a reference base if and when the NUM final demands are obviously unreasonable.

39. One way of drawing public attention to the inefficiencies of the coal mining industry would be a reference to the MMC. However, the main difficulties with economic pits are already well known and an MMC report in itself would be unlikely to help to resolve them. In the immediate future the appointment of the right man as chairman is of far more importance and an early reference to the MMC might be a distraction. We believe that choice of timing of a reference is what matters.

40. Our view is that the effect of any campaign on public attitudes should not be exaggerated. A high-pressure campaign could actually be counter-productive if it increased the political dependence of Government on a low miners' settlement. But a campaign would become more relevant if NUM demands, and the posture of NUM leaders, were so unreasonable that public opinion could be persuaded that they were outrageous and unacceptable. The scope for a publicity campaign is at present under discussion; opinions differ strongly on what would be its optimum form and in the time available we are not in a position to resolve these. We recommend that these differences be explored so that an appropriate campaign can be put in hand. The effect of a campaign on trends in public opinion should then be monitored, to provide a stronger basis for future campaigns.

B. Make miners reluctant to use their power

41. The key to the situation is not the miners' industrial power but their willingness to use it. In the next few months the rhetoric of NUM leaders is likely to become increasingly militant, in the run-up to the election of the next NUM President. The NUM is however a democratic union in which industrial action must be supported by a 55 per cent vote in a ballot. NUM leaders will only get the support of miners for industrial action if there is a widespread sense of grievance. Miners are now well paid, and their relative position now exceeds the previous post-war peak of 1.32 times average earnings achieved in 1953. NUM leaders who seek industrial action will have to persuade them that the likely benefits outweigh the certain costs.

42. The largest single element of the moderate vote has been in the Nottinghamshire/Leicestershire/Midlands belt of relatively low-cost pits (77 per cent voted yes in the last Pay Ballot). The second largest in 1980 was the substantial minority vote in Yorkshire, the biggest area. Durham, despite its problems, also has a large moderate majority.

43. Sentiment in the coal-fields is not static. Thus Yorkshire, unlike the trend in other militant areas, actually increased its moderate vote in 1980, compared with 1979. However, it is said that Arthur Scargill now has increasing influence in Nottinghamshire. So-called moderate NUM leaders formed a united front with militants in February, and offered no effective opposition to militant resolutions at the recent Jersey conference. The evidence on grass-roots feeling is anecdotal, and we recommend that Government should have access to more systematic regular opinion research (without this becoming known).

44. What evidence there is suggests that the bulk of miners are concerned about pay and job security. They are not looking for massive real wage increases on the lines of the formal 1981 pay claim. But they remember the 1960s when co-operation on closures and productivity was associated with falling real wages and reduced investment. Because mining is an extractive industry and faces become exhausted they look for heavy investment to maintain job opportunities: hence the significance of Belvoir which would replace 3,500-4,000 jobs to be lost through exhaustion in the Leicestershire coalfield. An adverse planning decision on Belvoir would put the whole of Plan for Coal in doubt and raise the issue of long-term job security, particularly in the normally moderate Nottinghamshire/Leicestershire belt.

45. Equally, action (eg on coal or oil stocks) which gives the impression that Government intends to 'take on' the miners is likely in itself to increase the willingness of miners to take action, in order to protect their industry and their long-term interests. Nevertheless, the build-up of stocks at power stations, if handled with discretion, will reduce miners' willingness to strike, because increased endurance means that a strike is more likely to be prolonged and the costs to them greater.

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46. It would also be possible to increase costs further by introducing legislation that would withdraw all supporting benefit from strikers' families. Since the NUM pays no strike pay, this could undoubtedly cause hardship in a lengthy strike, given that many miners' communities are isolated and have a relatively small proportion of workers in other trades. However miners' earnings are high so that their access to credit is much better than average. In the past miners' communities have found ways of sharing what wealth there was, and in 1926 the miners' 30 weeks endurance was based on minimal outside help. Their local authorities have the power to make cash payments to people in need. The sums in supplementary benefit involved are in any case small compared with the lost earnings, and it seems unlikely that this additional penalty would be of great significance if they had a real sense of grievance. Indeed its effect might well be to add to the latter.

Influencing the opinion of miners

47. In seeking to influence the opinion of the miners themselves (rather than the public generally) the aim should be to get across four general messages:

(i) They are now relatively well off (as the figures show - paragraph 41 above), and cannot expect much sympathy from the public, including other unions, if they try to improve their position even further.

(ii) They cannot (individually) be certain that they will gain from a strike, if public opinion turns against them and if resolve weakens in those mining areas with most to lose from a prolonged strike.

(iii) They must recognise that the taxpayer will not be willing to go on supporting an industry parts of which are grossly uncompetitive and show no sign of improvement. There are precedents (docks, printing) where unions have exploited their short-term monopoly position but in the longer term have seen the jobs move elsewhere.

(iv) Finally, they may be persuaded to recognise that the national interest will not be served by runaway wage inflation, even if they can themselves hope to stay ahead of the rest.

Getting these messages across is more effectively done by management than by Government.

Leadership

48. Within the next year a new Chairman of the NCB will be appointed. This appointment will be crucial, both to next year's pay round and to the medium-term prospects of the industry. The new Chairman must be of high calibre, able to achieve immediate credibility with the miners and the public, and to exercise a strong moderating influence.

49. Senior and middle management in the NCB is considered technically good, but there remains enormous scope for improvement in overall efficiency based on determined and intelligent direction from the top. The management must be given confidence in a consistent policy of pursuing economic objectives and must believe these are essential to the industry's future. They must be motivated towards achieving better financial results at every level. Their task includes using their influence on the miners to promote modest pay settlements. The whole management needs to cooperate in a systematic internal campaign to make the points in paragraph 47 above.

50. The tasks for the new Chairman will therefore be:

SECRET

- i. to create a climate in the UK coal industry in which its future is widely believed to depend on the economics of coal production, and to be damaged by the losses of uneconomic pits

- ii. to lead and motivate management at every level to believe in the economic goals of the industry and to give greater priority to the pursuit of efficiency

- iii. to direct investment towards its maximum return.

51. We are convinced that in terms of enabling the Government to achieve its economic objectives, there is no appointment in the nationalised industries more important than the next Chairman of NCB. We recommend that the Government should make an appointment as soon as possible. We suggest that the essential qualities are:

- the ability to lead and motivate
- proven hard-headed industrial success
- a talent for industrial relations

These qualities would allow him to achieve credibility both with management and other employees, and help him to move the culture of the industry towards economic and business (rather than political) issues. The industrial success should be in an extractive, basic or heavy industry, where the problems and opportunities bear some resemblance to those of NCB. From what we have been told, we do not believe any current Board member within the NCB meets the bill.

52. An alternative set of qualities would be those possessed by public figures, such as Labour politicians. Some of these have a knowledge of coal-mining, and of coal-miners and their communities, which would be extremely valuable in a Chairman. Such a Chairman could be supported by an experienced Chief Executive. The precedent of Lord Robens may suggest that roots in the 'Labour movement' may be helpful in implementing unpopular policies.

53. We see the Chairman's job itself as primarily an industrial one (and believe that Lord Robens had an exceptional talent for management and leadership). To achieve success the Chairman must quickly establish credibility above all with his management, who have to implement policies with skill and dedication at local level. This requires management, rather than political skills. We therefore prefer an industrial, rather than a political, figure as the next Chairman.

SECRET

54. We believe the new Chairman will need support from some new full-time Board members. New appointments at Board and senior management level could well include former NCB managers who have made successful careers in the private sector.

Conclusion on Balance of Power

55. In the short term, the prospect of tilting the balance of power in the Government's favour is not good. Power station stocks and ability to replenish them cannot be brought to a level whereby a strike could be resisted for so long that the endurance of miners was likely to crumble. It would be dangerous to underrate miners' potential endurance: in 1926 most miners stayed out for 30 weeks in intense poverty. A determined and united miners' strike would put the Government in a more and more difficult position as the weeks passed. We consider that as the point of total depletion became closer the pressures on the Government to settle would progressively increase, and be greater than the effective pressures on miners. We therefore consider it most unlikely that Government can in the next few years rely on clearly 'winning' a confrontation with the miners. In these circumstances, the aim in 1981 and 1982 must be to influence the miners' attitudes and demands, as reflected in the NUM's negotiating position, towards a moderate settlement. The cumulative effect of various actions including a number we have already mentioned should eventually bring some movement in the balance in the Government's favour. After considering the particular situations likely to exist in 1981 and 1982 we return to this theme in paragraph 65 where we consider medium term strategy.

C. Special Features affecting the balance of power in relation to the 1981/82 Settlement.

56. The settlement is due to be made by November 1. After their success in February the miners are in a confident mood. The NUM Conference has endorsed a claim of 24 per cent. The battle to succeed Joe Gormley as President overshadows the forthcoming negotiations. At least to begin with it may be difficult for many miners' leaders to argue in favour of moderation, although this is likely to be Joe Gormley's line.

57. Against this the miners themselves are now well placed in terms of their relative wage and have no fundamental reason for seeking trouble this

SECRET

Autumn. The majority are moderate people who are reluctant to strike unless they have a grievance. They know that the immediate costs to them (there is no strike pay) would be high. Many would probably be content merely to keep pace with the year-on-year RPI and might even be willing to accept a settlement a percentage point or two below this if the general trend of current settlements is low. However, if they feel their future job security is in danger they could quickly cause trouble as they did in February. Events that could bring this about would be anything that triggered a feeling that faith had not been kept with the undertakings given during this year's tripartite talks. For example, if there were thought to be a reopening of the issues on closures or imports, or if there were an adverse planning decision on Belvoir which could be interpreted as casting doubt on future investment and on the Government's commitment to "Plan for Coal". Moderate attitudes towards the wage settlement could also be damaged if there were any particularly sharp price increases affecting miners in September and October (eg Council house rents).

58. In these circumstances the right course will be for the Government, through the NCB, to keep working away for a low settlement at or a little below the RPI. The aim must be to keep the temperature of the negotiations and surrounding events as low as possible. Even though the Government has rather lost faith in Sir Derek Ezra he remains the key man on the NCB side and it will be important to keep as close as possible to him in order to encourage him in persisting in seeking a low settlement.

59. The form of the settlement is important to Government. The more the settlement is loaded on to incentive payments rather than basic, the more limited the repercussions on other settlements, and the more Government has some basis on which to persuade other bargainers that a substantial overall percentage reflected features special to the miners' claim. Similarly, it may be possible to point to the percentage increase for surface workers if that can be kept below the average for all miners.

60. The background to a strategy of keeping the temperature surrounding negotiations as low as possible is, of course, that the Government is not well placed to stand out for long against a strike. However, with the very large claim currently being spoken of it would be quite wrong to give any impression that an excessive settlement would be accepted without a fight. Although the aim has to be to avoid confrontation, this may not be

SECRET

possible if Arthur Scargill and others persist with a very big claim.

This means:

- i. that physical measures to maximise endurance (ie stocking of coal and ancillary materials) must be sustained;
- ii. that ministers need to take a collective view of the problem at an early stage so that when the pressure is on there can be no doubt among the media about the firmness of resistance to unreasonable demands and the possibility of a strike;
- iii. that contingent action to be taken in the event of a strike should be kept under review.

61. We conclude that the Government should keep its sights set firmly on a low settlement a little under the RPI and ensure that it is widely known that a higher settlement would not be in the best long term interests of the industry. In pursuing this objective the Government should:

- i. aim to keep down the temperature surrounding the forthcoming negotiations;
- ii. keep as close as possible to Sir Derek Ezra;
- iii. avoid doing anything that might stir up a sense of grievance among moderate miners; for example, by casting doubt on undertakings given at the Tripartite discussions, announcing an unfavourable planning decision on Belvoir or a sharp increase in Council house rents;
- iv. seek to influence the form of the settlement to minimise repercussions elsewhere;
- v. in case a confrontation proves unavoidable, take the precautionary actions listed in paragraph 60 above.

D. New Factors in the balance of power by the time of the 1982/83 Settlement

62. A new factor that may affect the balance of power at the time of the 1982/83 negotiations is that by Autumn 1982 there will be a new Chairman of the NCB and a new President of the NUM. Each will be determined to establish his position and the pay negotiations may be the first real trial

SECRET

SECRET

of strength. This means that the risk of confrontation will be increased, particularly as Arthur Scargill is likely to want to be seen as pursuing a hard line and determined to achieve a high settlement.

63. It is too early to predict precisely how the problems raised by Scargill should be dealt with. He is able and politically motivated. However, when he moves to London his power base may be more fragile; his former area, Yorkshire, will regroup, find a new leader and may distance itself from him. He will probably attempt to use a delegate conference, rather than the NUM Executive, to reinforce militant policies. But at the end of the day he will have to carry 55 per cent of a ballot if he is to achieve a strike. He will only be able to do this if the level of grievance is above a certain threshold. The need to avoid unnecessarily upsetting moderate opinion will therefore persist.

64. The likelihood that Scargill will be pursuing a hard line should be offset to some extent by the fact that by 1982 the Government could at a cost be in a better position to resist a strike through higher stocks at power stations and other preparations. Even so it would be wrong to suppose that this greater endurance, up to 20 weeks in total, would be enough to ensure that a strike could be 'won'; miners with a strong sense of grievance could still outlast the Government. It will remain important to avoid confrontation. However, it should be possible for the negotiations to be conducted against a background of the Government being more confident that if a strike should prove unavoidable there will be time to manoeuvre into a reasonable negotiating position and to avoid a humiliating settlement.

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E. Alternative Strategies for the Medium Term

65. Beyond 1982 the balance of power, as well as being influenced by developments it is impossible to foresee, will be dependent on the overall strategy that is pursued on coal. The objectives in addition to moderate settlements will be improved efficiency and containing demands on public expenditure. It seems certain that coal is a valuable long-term national asset. The overall strategy will determine how that asset is utilised.

66. The strategies open to the Government may be broadly contrasted as:

i. a policy of retrenchment, aimed at reducing both the cash burden and the power of the coal industry by progressively withdrawing support; but with the hope of creating conditions in which future expansion becomes economic. In terms of the likelihood of serious confrontation this would be a high risk policy.

ii. a policy of continued modernisation, including substantial investment conditional on active co-operation by miners in improving efficiency. This would carry much less risk of confrontation but would require skillful management.

67. A policy of retrenchment would involve:

- i. a progressive decline in all forms of investment, and hence
 - physical deterioration of a number of pits, whose life would otherwise be extended
 - stagnant productivity and rising costs at most pits
 - indefinite delay in NCB developing new low-cost mines;

ii. greater reliance on imported coal, insofar as closures were achieved, and imports permitted.

68. Such a policy could not realistically include a significant reduction in miners' relative pay position until the policy had begun to take effect and miners' confidence had been reduced. The aim in the medium term would be to force miners to accept both falling real wages and a substantial accelerated closure programme. One effect would be to close off development of some existing faces which could be profitable in the 1990s and beyond. However it could provide the basis for a subsequent expansion of an

indigenous coal industry from a smaller base in the next century when this coal may well have a higher real value. The development of the UK's coal reserves would have been delayed, but the coal would ultimately be mined by future generations at a time when it was more valuable.

69. A policy of continued modernisation would be aimed at developing the largest possible common ground with the moderates in the lower cost areas in order to achieve maximum co-operation in pit efficiency, in closures and in pay restraint. This should be based on a hard-headed approach and would include:

- i. relating investment in each area to progress achieved in improving efficiency (as is now being pursued with BR);
- ii. holding out the prospect of investment in major new projects such as Belvoir; provided efficiency improves and there is economic justification;
- iii. an attitude to the coal industry, which was generally positive but qualified by -
 - constant pressure on efficiency
 - avoiding investment in excess capacity
 - a significant level of imports as a competitive discipline.

70. This would be intended to achieve an atmosphere in which the efficiency of the industry could be improved without provoking conflict, ie

- i. moderate areas would accept closures and other cost reductions for economic reasons, because of nearby investment in better pits;
- ii. difficult areas such as South Wales would be isolated, and a tougher approach to closure could be gradually evolved.

Such a policy may also be compatible with a greater role for private capital as partners in new ventures, and in due course as direct competitors. The aim would be that as time passed the interests of the more promising and co-operative areas should progressively diverge from those of the difficult area; the forces which have lead to NUM unity would lessen.

71. In assessing the merits of these strategies we concentrate on their chances of success. Implementation must be by the NCB management. It

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would obviously be hard to find a Chairman prepared to take on the job based on a policy of retrenchment. But even if such a Chairman could be found his task would be made much more difficult:

- i. he would have no basis on which to establish trust, either with management or miners; both would regard the "Plan for Coal" previously supported by Government as having been abandoned.
- ii. he would face widespread apprehension about pit closures in all areas because of the danger of accelerated exhaustion in the absence of adequate investment.

He would therefore face initially miners with both confidence (born of recent success) and grievance. Until miners' level of confidence has been reduced it is dangerous to allow their level of grievance to rise.

72. To achieve an impact on the industry a new Chairman must create a climate in which progress is possible. Otherwise every closure and every cost reduction becomes a battleground, and potentially a national issue on which NUM can and will unite. Generosity on pay, quite apart from its effects on other settlements, would not be enough to defuse grievance.

73. A policy of retrenchment would also have to reckon with Arthur Scargill. He is far cleverer and more politically adept than the NUM leaders with whom Lord Robens had to deal in the 1960s. His skill is the effective organisation of mass protest about genuine grievances.

74. There is little doubt that a policy of retrenchment carries a high risk of exacerbating the dangers facing Government. Scargill wants confrontation. A withdrawal of Government support would give him the widespread base of grievance which he needs to use the NUM as a vanguard for extraparliamentary action by the trade union movement against this Government.

75. For a policy of modernisation to succeed (rather than simply be a cover for a policy of appeasement) will require management at every level taking action to improve the economics of each pit and each area; and progressively achieving a greater local credibility than the NUM. It requires generous redundancy payments, as now exist. And it requires a

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growing divergence between profitable and unprofitable areas, encouraged by relevant cost-reducing investment. Behind this should lie the competitive shadow of a convincing nuclear programme.

76. A fundamental change in attitudes in a traditional industry, with inbred management and unions, will be a long hard slog. But we believe that a policy of continued modernisation under a credible Chairman and management offers the most convincing way towards achieving in time the Government's principal objectives, not only on the efficiency of the industry but also in reducing the ability of NUM leaders to bring out their members in support of excessive pay settlements or in order to subvert Government authority more generally.

CONCLUSIONS AND RECOMMENDATIONS

77. Our analysis offers no quick measures to improve the balance of power. During the next few years, measures for dealing with the problem lie mainly with the NCB and much will depend on the new Chairman. Only in the longer term will measures to reduce the miners' power, such as the nuclear programme, have increasing effect. We believe Government's objectives are more likely to be achieved within a policy of continued modernisation, rather than of retrenchment:

78. We group our main positive conclusions and recommendations into those of immediate significance and those important in the longer-term:

Matters of immediate significance

- i. the current differences of view about a public opinion campaign should be explored and resolved so that an appropriate campaign can be put in hand (40)
- ii. Government should have access to more systematic regular opinion research on grassroots miners' feeling (43)
- iii. the next Chairman of the NCB should be appointed as soon as possible (51). We believe he should probably be an industrial, rather than a political, figure (53).

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iv. while seeking to avoid confrontation in autumn 1981, Government should take appropriate steps to prepare for this (60). There are a number of measures which should improve the chances of achieving a moderate settlement through agreement (61)

v. a policy of continued modernisation under a credible Chairman and management offers the most convincing way towards achieving in time the Government's principle objectives (76)

Longer Term

vi. the case for nuclear power should be openly based on the need to diversify supply (24). But we would not at present recommend an accelerated programme because implementation of the present programme is itself going to be a major task to achieve. Every effort should be made to ensure that these plans do succeed in time. If the present programme goes better than we at present fear, the possibility of acceleration should be examined in a few years time (26).

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vii. Government should retain the right to import and extend it when a suitable opportunity occurs (17).

viii. a strategy of coastal coal-based power stations should be examined as a possible policy for the 1990s (18).

ix. the feasibility of (a) moving open-cast mines to the private sector and (b) allowing major private sector coal-mining projects should periodically be reviewed, even though such moves if taken immediately would lead to confrontation (23).

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ANNEX A

THE RELEVANCE OF EMPLOYMENT LEGISLATION

1. In 1972 and 1974, the NUM rapidly escalated their strike by picketing power stations, docks and coal depots, so that as well as coal, other essential supplies were cut off from the power stations. This meant that the nation's power supplies were threatened long before the CEEGB's stocks of coal were exhausted.
2. At that time, secondary picketing on the scale employed was a novel device. It readily attracted attention and is clearly remembered. But then, and in 1974, it was probably not critical to the outcome of the dispute except in terms of its psychological effect on the public and maintaining the miners' morale. Picketing of the docks was ineffective and imported coal continued to come into the country, although none was contracted to the CEEGB and no attempt was made to divert it. At the conclusion of both strikes, the CEEGB had considerable stocks of coal, and although there were problems with ancillary materials, at no time did CEEGB employees refuse to handle such supplies.
3. However proposals have been made to tighten up the legislation to preclude miners' secondary picketing and possible secondary action by dockworkers and railmen during a coal strike. In reviewing current and possible future legislation, the special nature of the NUM and coal industry must be taken into account. Coal mining is an inbred industry with many of its workers living in isolated mining communities with little outside contact. The union and workers have a tradition of militancy and defiance of authority and convention, so legislation which might deter a union or individuals from unlawful action in other industries may not deter the close knit mining community during an emotive confrontation with the NCB and Government.

Current Legislation

4. The current legislation is in the 1974 and 1976 Trade Union and Labour Relations Acts, which were amended by the 1980 Employment Act. The present position has been reviewed in the Green Paper entitled 'Trade Union Immunities' (Cmd 8128) which was published in January 1981 as a consultation document.

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These acts grant trade unions and individuals certain immunities in civil law when taking action in contemplation or furtherance of a 'Trade Dispute'. Individuals and trade unions taking industrial action are still liable to prosecution for criminal acts like violence, damage to property, breach of the peace, obstruction etc. Indeed, as the Attorney General and the Lord Chancellor pointed out at the time, the intimidatory mass picketing at Saltley Coke Depot in 1972 and at Hadfields in Sheffield in 1980 were actionable under the criminal law. The problem in both civil and criminal law when faced with large numbers of strikers acting unlawfully is that of enforcement.

Picketing

5. The 1974 and 1976 Acts give wide ranging immunities, which the 1980 Act (Section 16) reduced for individuals in respect of secondary picketing. Under the 1980 Act, the secondary picketing of power stations practiced by the NUM in 1972 and 1974 is unlawful. If picketed, the CEEGB or another coal customer can take action against individual pickets or the picket organisers. There is the problem of identifying individual pickets but it is unlikely that union officials would be ready or able to disguise their role. If an injunction were not observed, the individual could, on evidence from the complainant, be found in contempt. The union might or might not pay the fine, but if personalisation of the issues is one of the strongest weapons in the unions' armoury, this would create martyrs and would intensify the bitterness of and possibly extend the dispute. For martyrs to be ineffective it is essential that their cause should not have public sympathy.

Secondary Action

6. Secondary action is generally industrial action by employees of an employer not party to the dispute. Such action in support of the NUM is most likely to be taken by the railway workers, the dockworkers and perhaps by power station employees. Under the 1980 Employment Act (Section 17) power station workers may retain their immunity in tort, because the CEEGB is a customer of the NCB, but only if their action is targetted on the movement of coal from the NCB. If the railway workers or dockers take secondary action to block coal movements or imports, then the CEEGB or another coal customer can take civil action against individuals or organisers. Although Section 17 of the 1980 Act has yet to be properly tested, it is possible that the threat of such action might deter significant secondary action.

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Possible Further Legislative Changes

7. The 1981 Green Paper (Cmnd 8128) explores the possibility of further changes in legislation. In the context of a miners' dispute, many of the proposals, for example on secret ballots etc, are not relevant. Detailed changes in the law on picketing and secondary action will not solve the problems with the NUM of enforcement and of creation of martyrs which exist under the 1980 Act. Only two issues, trade union immunities and legislation to prevent industrial action which creates a national emergency, are really worth considering in the coal context.

Trade Union Immunities

8. It has already been noted that the secondary picketing tactic used by the miners in 1972 and 1974, if not in breach of criminal law, is now unlawful for individuals under the 1980 Act. The problem is now that of creating martyrs if individuals or organisers ignore injunctions and are found in contempt of court. The suggested remedy for this is to remove immunity for trade union funds; perhaps to bring trade union immunities into line with that of the individual.

9. It is certain that any attempt to curtail trade union immunities will encounter vigorous opposition from the whole of the trade union movement, who would picture it as a threat to the very existence of unions. If legislation for such a change were introduced in early 1982, it could come to be tested severely in the NUM's late 1982 pay negotiations. This would provide a highly political issue in which the TUC and many other unions could become joined. The likelihood of this is enhanced by the probability that Gormley's successor is almost certainly Scargill, who will be looking to 'win his spurs' and establish with Mick McGahey a militant leadership on the General Council of the TUC. Action by the TUC in these circumstances is highly plausible and could well include wider action in support of the NUM. So on balance, it appears that legislation to put union funds at risk would not deter the NUM from employing the full range of industrial action it mounted in 1972 and 1974.

Legislation to prevent Industrial Action which creates a National Emergency

10. Three proposals have been made to deal with strikes which threaten the national interest:

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- (a) power for the Government to declare illegal a strike which threatens the national interest ie making striking or industrial action short of this a criminal offence;
- (b) a power for the Government to delay a strike by order while further negotiations take place - a so called statutory cooling off period;
- (c) giving employers the right to lay off employees at times of national emergency.

11. There are arguments for and against these approaches, but in the coal case, the major problem is that of enforcing sanctions for disobeying an order to stop a strike. Taking sanctions against organisers raises the prospect of martyrdom, and particular difficulties of prosecution if a strike continues unofficially after the organisers have ordered a return to work. Sanctions against individual union members, raises the possibility of mass prosecution of strikers. This has only been tried once when the Government tried to prosecute 4,000 miners at Betteshanger Colliery in 1941. This was a failure and mass prosecution of strikers is clearly not a practical proposition.

12. Giving other employers, who are affected by a national strike, the right to lay off employees without compensation (and perhaps without access to social security benefits) is a course which would need careful consideration to decide whether implementing it would have the effect of increasing pressure on miners to settle. The time for introducing such legislation with prospects of implementing it successfully would be immediately after widespread and unjustified hardship had been brought about by unions and caused the public to lose sympathy with them.

Conclusions

From the analysis it seems improbable that further legislative changes would influence the mineworkers' approach to a coal strike or strengthen the NCB's position. The overwhelming problem remains that of enforceability. Miners have a history of successful defiance of authority, running from the action in 1911 and 1914, through Betteshanger in 1941 to the mass picketing of 1972. In the general industrial relations context, the 1980 Act should inhibit the more excessive union dispute practices, and no

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doubt more legislative measures, eg on trade union immunities, could be taken aimed at further discouraging such practices among unions generally. Legislation might be effective in deterring other unions, such as the railway workers from taking secondary action in support of the miners, although the 1980 Act, which removed immunity from individuals, has yet to be properly tested in a major strike.

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Role of Coal in Power Generation by ESI in England
and Wales in 2000 and 2010.

The following table gives broadly indicative figures for required new coal-fired capacity in England and Wales to 2000 and 2010 under three cases of growth in electricity demand and two rates of construction of new nuclear capacity. It is assumed that the CEGB achieves considerable success in extending the life of existing coal-fired stations from 30 to 40 years.

REQUIRED NEW CAPACITY (GW)

	<u>To 2000</u>		<u>2001-2010</u>		<u>Total</u>	
	Coal	Nuclear	Coal	Nuclear	Coal	Nuclear
A. <u>Low Growth in Demand</u>						
<u>(0.4% p.a.)</u>						
(i) High Nuclear Build	4.5	15.0	-	22.5	4.5	37.5
(ii) Low Nuclear Build	12.0	7.5	10.5	12.0	22.5	19.5
B. <u>Medium Growth in Demand</u>						
<u>(0.9% p.a.)</u>						
(i) High Nuclear Build	10.5	15.0	2.5	24.0	13.0	39.0
(ii) Low Nuclear Build	18.0	7.5	14.5	12.0	32.5	19.5
C. <u>High Growth in Demand</u>						
<u>(1.4% p.a.)</u>						
(i) High Nuclear Build	17.5	15.0	7.5	24.0	25.0	39.0
(ii) Low Nuclear Build	25.0	7.5	19.5	12.0	44.0	19.5

Assumptions :-

1. Growth in demand for electricity from the 1979/80 restricted maximum demand of 44 GW assuming a 28% planning margin. Three cases are considered: the medium growth case of 0.9% p.a. is the long-term rate assumed by the ESI; the low growth case of 0.4% p.a. is that recommended by the Planning Department within CEEB's 1980/81 Development Review and the high growth case of 1.4% p.a. balances the low growth case. Total Required capacities are as follows:

	GW	
	<u>2000</u>	<u>2010</u>
Low Growth	62.5	65.0
Medium Growth	68.5	75.0
High Growth	75.5	87.0

2. Life extension of coal-fired plant from 30 to 40 years is achieved for all plant except in the 200-350 MW range, thus reducing retirements to 2000 by 14 GW all of which capacity is retired over the period 2001 to 2010. (If all coal plant had life extensions to 40 years an additional 6 GW of capacity would still be in operation in 2000.)
3. Rate of construction of new nuclear power stations after Heysham II.
 - (a) "High Nuclear Build" assumes that the programme of 15 GW of new capacity in operation by 2000 is achieved; and that two new power stations per annum (2.4 GW) are brought into operation from 2001 to 2010.
 - (b) "Low Nuclear Build" assumes half the rate of "High Nuclear Build".

The next table shows the percentage capacity met by coal and nuclear in 2000 and 2010. The figures include coal and nuclear plant currently in operation or under construction which has not yet been retired by the relevant date.

Percentage of Demand met by Coal and Nuclear in 2000 and 2010

	2000		2010	
	Coal	Nuclear	Coal	Nuclear
A. <u>Low Growth in Demand</u>				
<u>(0.4% p.a.)</u>				
(i) High Nuclear Build	45	34	22	61
(ii) Low Nuclear Build	57	22	49	33
B. <u>Medium Growth in Demand</u>				
<u>(0.9% p.a.)</u>				
(i) High Nuclear Build	50	31	30	55
(ii) Low Nuclear Build	61	20	56	29
C. <u>High Growth in Demand</u>				
<u>(1.4% p.a.)</u>				
(i) High Nuclear Build	54	28	40	47
(ii) Low Nuclear Build	64	18	62	25

In 2000 approximately 30% of total capacity is met by coal plant already in operation or under construction in 1981 and this figure has fallen to around 15% of total capacity by 2010. No early retirement of oil-fired capacity has been assumed; thus in 2010 the oil-fired capacity brought into operation in the nineteen eighties (approximately 5 GW) is still taken to be available.

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WITHSTANDING A COAL STRIKE

REPORT BY THE OFFICIAL GROUP
ON COAL

THE TIMING AND POSSIBLE FORM OF INDUSTRIAL ACTION

1. The miners' pay settlement date is now 1 November. Negotiations are likely to begin in the second half of September and last some weeks. The National Union of Mineworkers' (NUM) Executive will not conclude a settlement without balloting the membership on a final offer and can be expected to press for this to be made before the settlement date; traditionally, the NUM is unwilling to continue the normal bargaining process beyond this date. A ballot would take about 2/3 weeks.
2. Given the NUM Executive's internal divisions, it is most unlikely that it would be able to recommend acceptance of any offer which can be visualised. At best the ballot question will be neutral. If, on such a question, the offer were rejected, it could be expected (unless an improved offer were then made) that a further ballot would be held on the question of industrial action, although this would not be essential. Under the NUM's rules a national strike needs to be approved by ballot by 55% of members voting. Action short of this, eg a national overtime ban, can be decided upon by the Executive or a national delegate conference. Area strikes on a pay issue, as experienced in 1969 and 1970, are very unlikely.
3. Depending on where a final offer is pitched, a first ballot could, however, well ask for authority for a national strike or for the Executive to mount unspecified industrial action which would provide sufficient authority for a national strike.

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4. With this as background, the probability is that any industrial action could begin in November or in early December. Although in 1971 and 1973 an overtime ban and working to rule were first adopted before coming to a national strike (in the main to develop support for strike action), such a tactic is now unlikely. Miners would recognise that an overtime ban, given the stocking position and overt action to improve it, would itself be ineffectual. It would result in a much greater loss of earnings than in 1971 and 1973 now that earnings are significantly dependent on productivity, and the perceived effect of the threat of a national strike earlier this year would be remembered. Both the moderate and militant wings of the leadership might well therefore see every advantage in threatening an all-out strike from the outset with the minimum objective of securing a higher offer before it began.

5. As a national strike from the outset is the greater and more probable threat, the possibilities for endurance need to be considered against it.

6. This assessment is not based on knowledge of what is in fact planned; there has so far been no considered rehearsal within the NUM of possible tactics, and, indeed, no decision in favour of industrial action this autumn.

7. Attached at Annex A is a fuller description of the miners' strikes in 1971-72 and 1973-74 and of the main differences between now and then which seems to us to make an early all-out strike the more likely tactic for the NUM to adopt this autumn.

THE ENDURANCE OF THE NUM AND ITS MEMBERS

8. A national strike would begin only after a pithead ballot had demonstrated the support of at least 55% of members voting. The miners poll high (over 80 per cent in the 1980 pay ballot) and the outcome would be conclusive. There is a deep

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tradition of unity of action and purpose, which owes nothing to its formal expression in a closed shop, and there could be no doubt that an official strike would be completely supported from the outset.

9. It must also be expected that the strike would continue until another ballot was held. It is most improbable that the NUM Executive would end it or conclude a settlement without formally again testing the views of the membership. The occasion for such a second ballot could only be an improved offer or an accumulation of internal and external pressures which led a majority of the Executive to believe that they had come to defeat. In 1972 the NUM could not be persuaded to suspend strike action whilst a Court of Inquiry reported.

10. On the hypothesis that no improved offer were to be made, (ie the Government accepted that the NCB should stand firm on its final offer and become publicly committed to that stance) the essential question becomes how and when the prospect of the need to accept tactically the rejected offer, and accept the futility of continued strike action (and the total accumulated loss of wages), might emerge sufficiently strongly to move the Executive to hold a second ballot. In such circumstances it would only be likely to do so if at least a majority on the Executive were sure that there would be an overwhelming majority for surrender. The possibility that the miners' ranks would break (ie that a partial unofficial return to work could be visualised) before such a point was reached is not realistic.

11. The experience of previous national strikes is relevant. In both 1971-72 (a 9 weeks' overtime ban resulting in some loss of earnings and increasingly difficult physical working conditions, followed by a 7 weeks' strike) and 1973-74 (a 13 weeks' overtime ban, followed by a 4 weeks' strike), the cost of a settlement progressively and observably increased.

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12. Miners are stubborn and the tradition of endurance in hardship runs strong. It could not be expected that a sufficient perception of inevitable defeat would emerge for some long time. There would be strong motivation, however illogical, to continue the strike until at least some improvement was made to the previous offer, both as a symbol of achievement and as small recompense for wages lost.

13. The economic endurance of miners and their families would be a factor which could influence the length of a strike. Under its rules the NUM is under no obligation to make payments to members on strike; the rules provide that it is at the discretion of the Executive whether any payments are made and at what rate. In 1971-72 and 1973-74 (when strike pay could be authorised by the Executive at the rate of 50p a week) no payments were made. There were no indications that NUM members pressed for such payments or that the absence of financial support from the union weakened the possibilities for endurance.

14. It is most unlikely that the NUM would be able to contemplate affording strike pay but this has not so far been a restraining factor on its actions. It has an essentially federal structure with the NUM headquarters controlling only a small proportion of the union's net total assets which amounted to about £22m in 1979. The great bulk of these assets are under the control of the union's geographical and functional areas. The greater likelihood is that area councils would come to make individual hardship payments as the strike progressed. It is not possible to assess usefully for how long adequate payments might be made to how many.

15. State benefits provide for the possibility of some continued income. Child benefits would continue in respect of dependent children and claims could be made for supplementary benefit in respect of dependents (subject now to a deeming provision which reduces normal entitlement by £12pw for strikers' families) and,

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in an emergency, to single persons. In 1973-74 the NUM actively encouraged claims for supplementary benefits and by the end of the strike some 68,000 had received payments. Tax rebates would be generally available, although they are to be withheld from strikers from April 1982. They would provide a useful contribution to family income, the other sources of which could be a wife's or children's earnings. Savings could be spent.

16. As the possibility of a strike neared, the folk memories in mining communities could be expected to result in a prudent deferment of expenditure (including the non-payment of bills) and additional savings. Credit cards, although by no means universal, could provide a ready source of credit. During strikes landlords do not press for rent, building societies for mortgage repayments, public utilities for the payment of bills or hire purchase companies for payment. It is not in their interests to do so. Extended credit at local shops in mining communities offers another possibility for endurance.

17. With all this in mind, there are no conclusive reasons to believe that miners would be forced back to work by severe economic hardship for some long time and there is no precedent for a major national strike collapsing for this reason in recent times. ISTC members endured a strike of 13 weeks in 1980 without strike pay.

18. As for external pressures, miners would be slow to be persuaded that the acceptance of the rejected offer and a return to work were necessary in the national interest. As consequential lay-offs took effect in other industries, these would be much more likely to increase the pressures from other unions and the TUC on the Government to facilitate a settlement than to lead to any urging on the NUM that the strike should end. Relationships between the miners and the TUC are still found to be coloured by the experience of the General Strike and the TUC has never so far

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found it possible to bring an influence to bear on the NUM. It would not be found able or willing to condemn the miners' actions. The Official Opposition and all manifestations of the Broad Left would come to support the miners' cause.

19. Public opinion, as reflected by the media, might prove of small influence. Although not as isolated in distinct communities as once they were, miners more than any other group of employees have not so far been found receptive to such influence and as the strike continued their attitudes would be likely to harden. The last three strikes in the industry are accounted victories. The reduction of electricity supplies, although extending physical endurance, would be viewed as evidence that the strike was succeeding. Those of their leaders who have strong political motivation would prove determined to maintain the strike, once begun, as long as possible. The moderate leadership (Joe Gormley having been voted in a recent national opinion poll as the country's most popular trade union leader) could be found persuasive in exhorting further negotiations and an improved offer in a reasonable way as a sensible means by which the strike could be ended.

20. Therefore, on the assumption of no improved offer there can be no conclusion from such brief analysis other than any early collapse of a strike would be most unlikely.

THE CRUCIAL AREAS IN THE EVENT OF A STRIKE

21. It is clear from past experience that maintaining electricity supplies is the key to withstanding a miners' strike. This is discussed in detail in the following section of the report. But while the lack of coal supplies for those who use coal directly as a fuel would probably not be a critical factor until well into a strike, the effects would become increasingly serious the longer the strike lasted, particularly for industry.

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22. No detailed information is available on the coal stocks held by industry, but the Department of Energy estimates that they are likely to be sufficient for about 6 weeks, with possibly more in the distribution network. Most companies would probably, therefore, be able to make their supplies last for about 10 weeks or so at the most, as they did during the 1973-74 dispute. But after about 10 weeks the position of the major coal consumers - metal manufacture and cement - would be becoming very difficult and large parts of these industries might be forced to close until coal supplies were resumed. If the rest of industry could not obtain alternative supplies from abroad they too might have to reduce and eventually cease production as their supplies of basic metal manufacture and cement ran out.

22a. The impact of a long miners' strike on both electricity supplies and coal-burning industries would therefore lead to cumulative shortages of vital components and materials, which would restrict output over an increasing range of industry.

23. Coal merchants, supplying mainly domestic consumers, will probably carry 4-6 weeks stocks by this autumn. The impact on the domestic consumer will therefore be felt fairly quickly (but we estimate that only about 10 per cent of households are now largely dependent on coal for heating and hot water). In the past the trades unions co-operated in ensuring that essential supplies of coal were available for the sick, the elderly, hospitals and other such priority cases, and we have no reason to believe that they would not do so again.

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MAINTAINING ELECTRICITY SUPPLIES

24. There are four ways in which electricity supplies can be maintained, as follows:-

- (i) by maximising power station coal stocks and ancillary materials before a strike begins;
- (ii) by substituting oil or gas for coal, either when coal stocks are exhausted or in advance so that they last longer;
- (iii) by replenishing power station coal stocks either from NCB stocks or through increased imports of coal; and
- (iv) by reducing the demand for electricity.

The first three of these relate to the supply of electricity; the fourth to demand for it. We consider in the following paragraphs the scope for each of these courses of action, the impact that each might have on endurance times and the costs involved; and also the availability and likely impact of private electricity generation and standby capacity.

(i) power station coal stocks and ancillary materials

25. By 1 November power station coal stocks in England and Wales are likely to reach about 20 m tonnes and in Scotland 1.8m tonnes offering about 9 weeks endurance at the full level of electricity demand expected this winter (ie. taking no account of any statutory restrictions on electricity consumption that might be introduced). These estimates take account of the likely impact of the recession on

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electricity demand this winter, and the decision now reached by Ministers, following consultations with the Electricity Boards, on the volume of extra coal supplies to be moved to the power stations over the summer (at least $1\frac{1}{2}$ m tonnes and possible more). They also assume the successful delivery of programmed supplies of coal, which would, of course, be interrupted if there were a rail strike over the summer, as currently seems possible; and the normal pattern of oil station utilisation ie. minimal oil burn and maximum use of nuclear power stations. So far as we can judge without consulting the industry in detail, power station coal stocks are regionally distributed to be roughly in balance with the levels expected to be necessary for electricity generation, and the summer programme of coal deliveries should maintain that balance.

26. Electricity demand, and therefore endurance times, would be negligibly affected by particularly severe winter weather; but if a miners' strike were to extend over the Christmas holiday period, endurance times would be extended by up to 1 week, because of reduced electricity demand during that period.

26A. We have considered the scope for increasing power station coal stocks in the winter in advance of industrial action by the miners. During the winter the replacement of stocks is slower than use so that the duration of electricity supplies represented by power station coal stocks falls as the winter progresses. Stepping up the rate of delivery during the winter would therefore improve duration. In principle, the optimum rate of delivery would be that which kept power station stocks at a maximum at all times ie. so that deliveries matched consumption. However, this would involve substantially greater movements than are achieved at present in the winter months when rail capacity, which accounts for almost all power station coal deliveries, is fully utilised. Movements might be increased to some extent, particularly under present economic conditions when rail freight resource for other traffics are under-utilised, but capacity of rolling stock, track and loading and unloading facilities would limit the scope for doing this. Early planning involving BRB, NCB and the Electricity Boards would be essential and close

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co-operation be vital to carrying out the operation effectively. Without detailed consideration by industries involved, it is not possible to assess to what extent the duration of stocks could be enhanced during the winter. This aspect will be considered further in the context of the work now in hand on how power station coal stocks might be maximised throughout the next year.

27. Ancillary materials (such as lighting-up oil, industrial gases, water purification chemicals, frozen carbon dioxide etc) are essential to the utilisation of fuel in power stations. At present the Electricity Boards maintain stocks of ancillary materials at a level equivalent to 6 weeks expected consumption, but they have been told that the Government expects them to bring their stocks of ancillary materials into line with the likely level of fuel stocks at power stations well in advance of any industrial action this autumn. The Boards are now taking measures to do so. But for some materials the construction of extra storage facilities may well be required; for lighting-up oil, in particular, storage facilities are, we understand, at present equal only to the 6 weeks stocks normally held. It is not certain at this stage that the work involved could be completed by the Autumn. However, the Electricity Boards have found it possible, though not easy, during previous miners' strikes to bring in fresh supplies of ancillaries to the power stations and also to edge out supplies by other means (although this involves increased fuel consumption). But its stocks of ancillaries were to run low because of insufficient storage facilities or the impact of picketing (which is discussed in detail below) it would be possible, if necessary, for servicemen to delivery supplies, mainly by road, when they would have to cross (unlawful) picket lines, but also in appropriate cases by air since some of the loads involved are relatively small. It would however, be necessary to requisition oil delivery vehicles for which a State of Emergency would first have to be proclaimed. If the Boards might well seek compensation from the Government for the costs involved. These points are under separate consideration between the Department of Energy, the Scottish Office and the Electricity Boards.

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(ii) substituting oil or gas for coal

28. The Electricity Boards have spare oil-fired generating capacity which is normally too expensive to operate at the present level of oil prices in relation to coal. Indeed, the use of oil-fired power generating capacity has been deliberately minimised on cost grounds, and in accordance with the UK's international obligations to minimise oil use. But this excess capacity could clearly be used to conserve coal stocks, either once a strike was underway, or beforehand.

29. Once a miners' strike had begun the Government could direct the Electricity Boards to increase their use of oil by Order in Council under the Energy Act 1976. A State of Emergency would not, therefore, have to be proclaimed before such a direction could be issued. By maximising the use made of the present spare capacity (which would mean burning about an extra 275,000 tonnes of oil per week) endurance times could be extended by about 2 weeks for every period of eight weeks during which the maximum amount of extra oil was burnt. But the cost of doing so would be high - about £200 m for each eight-week period - especially since the Electricity Boards would almost certainly have to purchase extra supplies of heavy fuel oil on the spot market, because they will not have already entered into contracts for the necessary extra oil.

30. Supplies of heavy fuel oil (which is the only form of oil that can be used in electricity generation) are likely to be relatively restricted, because the oil industry has altered the pattern of refinery production to increase the output of gasoline and lighter products. Nonetheless, we think the necessary supplies of heavy fuel oil are likely to be available, although the entry into the market of a major purchaser could send prices up in a matter of a few days. Although, in theory,

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the oil companies could increase the volume of oil that is processed through the refineries or adjust the pattern of refinery production to increase the proportion of heavy fuel oil produced from the current volume of refinery production, it is unlikely that they would be prepared to do so in practice, mainly because there is already an excess of supply in the oil market, but also because heavy fuel oil produces a lower profit for the oil companies. But if demand for heavy fuel oil were to increase dramatically and supplies seemed likely to become scarce, the Government could direct the oil companies to change their refinery patterns or take other measures to ensure that the Electricity Boards had adequate oil supplies. The delivery of oil to the power stations is unlikely to present particular problems. About half the existing oil-fired capacity is served by pipeline and most of the remainder is served by water-borne transport. Supplies by both routes have been maintained during previous emergencies and we have no reason to believe that this would not be the case in the autumn, although the excess of oil fired capacity was not as great then as it is now.

31. The Government could also encourage the Electricity Boards to begin to conserve their coal stocks in advance of a miners' strike by burning extra oil early in the winter, but there are no powers by which it could direct the Electricity Boards to do so. Indeed, in principle the Electricity Boards could burn extra oil over the summer to conserve coal stocks further. But we do not recommend this course. It is the course most likely to be seen as provocative by the trade unions. since they would become immediately aware that the utilisation of oil-fired capacity had increased and would have no difficulty in deducing the reason for this. It would also run directly counter to the Government's policy of pressurising the Electricity Boards to reduce costs generally throughout the industry, since to burn more oil than strictly necessary would increase costs. Such a policy would also run counter to the UK's international obligations to adopt policies to reduce oil use.

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32. It is unlikely that the Electricity Boards could accommodate within their existing External Finance Limits the costs involved in burning extra oil unless they were passed on to the consumer, and the Boards are, therefore, likely to seek compensation in some form from the Government. But this question would not arise until a decision had been taken to ask or direct the Electricity Boards to increase their use of oil.

33. The Electricity Boards also have under-utilised oil storage capacity, which could be utilised to ensure that the maximum possible amount of oil was available immediately a decision was taken to increase power station oil consumption, or that any brief interruptions in oil supplies could be overcome; but they would not in themselves extend endurance .

34. By the autumn the Electricity Boards will probably hold oil stocks of about 0.9 million tonnes, which might be increased over the summer by a maximum of $\frac{1}{4}$ - $\frac{1}{2}$ million tonnes. The cost would be in the range of £25-50 m plus interest charges (which would require an increase in the Electricity Boards' EFLs and a corresponding claim on the Contingency Reserve). These oil purchases would have to be made on the spot market and carefully phased. Ministers would therefore need to decide immediately whether to authorise this expenditure. It would also be possible for the Electricity Boards to burn gas instead of coal as a means of conserving coal stocks, but the scope for doing so is not large because there is clearly a physical limitation on the volume of gas that can be piped to the power

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stations. Unlike in the case of oil, the substitution of gas for coal is not facilitated by the existence of substantial spare capacity. It would therefore be possible to do so in the winter, when demand for gas is at its peak, only by diverting a proportion of the gas supplied to industrial consumers under firm contract, for which it would be necessary to use powers under the Energy Act 1976. A limited amount of excess gas is available during the summer, but its use in the power stations in place of coal would extend endurance tunnels by only a few days at most; and, since the formal consent of the Secretary of State for Energy is required before any gas can be burned in power stations, the fact that the Government had asked the Electricity Boards to take such a step would inevitably become public knowledge.

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(iii) replenishing power station coal stocks

35. In principle power station coal stocks could be replenished by either or both of the following two ways, but very considerable practical problems are involved in each:-

(a) by gaining access to NCB pithead and other coal stocks; and

(b) by increasing coal imports.

These are discussed in detail in the following paragraphs.

(a) NCB coal stocks

36. By the autumn NCB coal stocks at the pitheads and in dumps away from the pithead, which are suitable for use in power stations, are likely to total about 15m tonnes. (Out of total stocks of 23m tonnes). This is equivalent to about 7 weeks endurance this winter in the absence of statutory controls on electricity consumption. Thus if these stocks could be utilised they would nearly double (to a total of about 16 weeks) the endurance likely to be offered by stocks at the power stations. But if the miners are on strike, NCB coal stocks are certain to be picketed by the NUM. Such picketing would be legal so long as it was confined to peaceful persuasion at the place of work. The Employment Act 1980 has removed immunity from civil action from those who organise or take part in picketing (or secondary action) outside these limits and anyone whose commercial contracts were broken as a result of such picketing would be able to seek an injunction against named picket organisers. This would include the Electricity Boards and other NCB customers or suppliers. Electricity consumers, however, do not in general have a contractual right for electricity supplies to be

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maintained in such circumstances, and would have no cause of action. If such an injunction was granted anyone who failed to comply with its terms could be subject to fine or imprisonment. Obstruction or threatening behaviour of course, constitutes criminal offences whether committed by pickets or by others. However, in practice, no trade unionist is likely to be prepared to cross an NUM picket line even if it consisted of no more than 2 or 3 miners. Moreover, the recent triple alliance between the NUM, the NUR and the ISTC will no doubt have reinforced the willingness of railwaymen to support a national strike by miners. Some non-unionised lorry drivers might possibly be persuaded to cross NUM picket lines but the impact that they could make on power station coal stocks would be negligible.

37. Our conclusion, therefore, is that NCB coal stocks are unlikely to be accessible except by the use of servicemen.

38. We have considered how servicemen might be used to transport coal to the power stations both by rail and by road.

39. Coal movements to power stations are dominated by Merry-go-Round trains (that is fixed formations of special high-capacity wagons/^{moving} continuously from pitheads to power stations and back again making use of special automatic equipment for loading and unloading). Rail transport is responsible for about 80 per cent of all movements of coal to the power stations, and of this 85 per cent is by Merry-go-Round trains. Average carryings are 1,000 tonnes and there are more than 1,000 train deliveries in an average week. The largest lorries, however, carry only 20 tonnes, so that a minimum of fifty lorries would be required for each such delivery. Military plans have been formulated in the past for moving coal to the power stations by road involving the use of 4500 service drivers and requisitioned lorries, but these were

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abandoned in 1979 because they were thought to be too limited to have much impact on endurance. We have considered whether these plans should be resurrected. The main difficulty is that since 1979 a number of small power stations, which might have been serviced by lorries in an emergency, have been closed and the remaining large power stations have been designed for deliveries of coal only by rail; their access roads and reception facilities would be too limited at present for an adequate supply of coal to be delivered by lorry. It would be possible to prepare plans for the improvement of the facilities at each power station, and we shall report further on this to Ministers. But this work could not be completed by the autumn.

40. Even if this problem could be overcome the use of lorries is not entirely straightforward. The necessary vehicles would have to be requisitioned, which means that a State of Emergency would first have to be proclaimed. Quite apart from the industrial relations problems to which this might give rise in the road haulage industry, requisitioning would be a slow process. To requisition 4500 vehicles would take a minimum of 15 working days, and possibly much longer. The necessary vehicles would first have to be identified (they would probably come mainly from small operators) and in some cases might have to be adapted to carry coal. It would therefore be several weeks from the decision to commit servicemen before a substantial volume of coal was being moved to the power stations. But if all these difficulties could be overcome, it seems likely that at least half of normal power station coal deliveries could be maintained by using 4500 vehicles, provided that adequate access and reception facilities could be provided at the power stations.

41. However, if servicemen were to be used in the case of a miners' strike this autumn, it would probably have to be to maintain some form of rail service to the power stations since, for the reasons given above, we do not think that adequate

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deliveries by road would be possible by then.

42. The services have only some 23 experienced train drivers - all of whom are attached to the BAOR and are trained to drive only small shunting engines in an army depot. Merry-go-Round trains are very much heavier than these and servicemen would therefore need about five weeks training in their handling as well as further familiarisation with the actual routes to be used before they could be brought in to deliver coal to the power stations. Some initial experience might be acquired on comparable operations abroad - although we have not investigated this possibility in detail - but the replacement drivers would have to undertake much of their training on actual Merry-go-Round operations on BR trains and under the instruction of BR employees. It is unlikely that BR staff will be prepared to co-operate in this, and indeed to ask them to do so carries a strong risk of provoking industrial action and thereby interrupting the build-up of coal stocks over the summer.

43. If, however, the problem of training could be overcome, it would not be necessary to restrict the training to the existing service drivers and it would therefore be possible, at least in principle, to train a sufficient number of servicemen (about 200- 300 drivers would probably be needed) to maintain Merry-go-round deliveries to the power stations at near normal winter levels, for as long as pithead stocks lasted.

44. We have considered whether it might be possible to recruit volunteer drivers from Railway Preservation Societies or elsewhere either to man trains themselves or to assist in the training of troops but our conclusion is that this is unlikely to be effective. The Railway Preservation Societies tend to have a strong sense of identity with the rail unions (and indeed they often make common cause in arguing

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for the re-opening of closed railway lines) and, moreover, many of their members are working or retired railwaymen. In principle BR management staff would be capable of driving the trains, but in practice they are unlikely to be prepared to do so because of the industrial relations problems with their own staff to which this would undoubtedly give rise. Equally, they could in principle undertake the training of servicemen, although even if they were prepared to do so in advance of a strike, this is unlikely to be possible without the railway trade unions (and therefore the NUM) becoming aware of it.

45. Finding drivers for Merry-go-Round trains is not, however, the only problem. Co-operation would also be required from signalmen and level-crossing controllers as well as from the BR staff involved in refuelling and basic maintenance. Merry-go-Round train movements are not isolated from the main railway network; all involve at least crossing a line used for other services and in some cases the trains need to travel for at least part of their journey on the main network. These train movements cannot, therefore, be carried out without signalling and, under circumstances in which rail unions are refusing to handle coal movements, the necessary co-operation of signalmen and others would almost certainly be denied. Servicemen could not carry out signalling work without considerable training and any attempt to involve them in this would be almost certain to extend the scope of action by the railway unions. Comprehensive action by signalmen would effectively shut down the rail system.

46. But ironically, if the railway were shut down, it would probably be possible to provide some sort of Merry-go-Round service provided train drivers were available. Certain essential track jobs such as setting points would have to be done by other servicemen, as would fuelling and basic maintenance. Some co-operation from senior

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railway management would probably be necessary. But in these circumstances the Merry-go-Round system would be a relatively easy target for disruption; the trains would run mainly through coal mining areas and their obstruction or derailment by placing obstacles on the tracks or actual damage to the rails would be very difficult to prevent, although disruption of this sort is by no means a normal trade union tactic. The services could probably make any such damage sufficiently good for coal deliveries to be maintained, but this might take time in some instances and as a result coal supplies could be seriously delayed.

47. Alternative arrangements for running trains to the power stations would only be effective if loading and unloading arrangements could be maintained. At some pitheads where the arrangement of stocks and sidings is suitable it might be possible to by-pass the automatic loading equipment and load trains with earth-moving equipment or its equivalent operated by servicemen or possibly volunteers, although this would be very much slower than the existing automatic systems. Where this is not possible some training and supervision of servicemen in the use of the automatic loading equipment would be essential. In principle this equipment could be operated or the training and supervision of servicemen undertaken by low-level NCB managerial staff, but in practice we think it very unlikely that they would be prepared to do either. Alternative arrangements - such as assistance from the manufacturers' staff might also be possible, and, in the last resort, the servicemen could attempt to operate the equipment without advice. This last possibility would inevitably result in a low through-put in the early stages and could in some cases result in expensive damage or even total breakdown of the equipment. Unloading would require co-operation from power station staff. Discharge of Merry-go-Round wagons is generally by gravity into special bunkers which are cleared to conveyor. If these bunkers are not cleared it is impossible to discharge the coal from further trains; the quantities of coal involved make manual loading or unloading of limited value.

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48. Finally, in considering the scope for the use of servicemen Ministers will wish to bear in mind the likely reaction of the miners themselves. For historical reasons the appearance of troops at a pithead in particular (for example to load a coal train could give rise to very severe public order problems.

49. On the other hand, the background against which the use of servicemen might take place would be one of very intense need for electricity. The claims of hospitals, the sick and elderly during the winter months, struggling UK industry and the ordinary domestic consumer would lend moral authority to any measures designed to ensure that publicly-owned or imported coal could be burned at the power stations. The balance of public opinion could well depend on whether or not the NCB's offer was widely seen as reasonable.

50. Overall, our conclusion is that although troops could, in principle, operate a Merry-go-Round train service to power stations which might extend endurance times significantly, to do so would raise practical problems which might prove insuperable. The servicemen involved would require some training, which would be impossible without co-operation from BR, which is unlikely to be forthcoming. Furthermore, the involvement of soldiers carries with it not only the possibility of considerable public order problems at the pitheads but also the danger that industrial action might spread from the mines to the railway. The successful use of servicemen would also depend on co-operation of the power station staff in unloading trains and in using the coal delivered by them. At this stage we have no way of assessing whether power station workers would, in fact, be prepared to co-operate but the possibility that they would not cannot be lightly dismissed.

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(b) increasing coal imports

51. Coal could be imported either direct to power stations with their own port facilities or through other ports with existing or potential facilities for importing coal or other heavy materials. Some Central Electricity Generating Board (CEGB) power stations in the South East of England have the capacity to handle a total of $7\frac{1}{2}$ - $8\frac{1}{2}$ m tonnes a year of coal at their own docks; this is coal deliveries by sea from the North East coalfields. The Electricity Boards expect to import no more than $\frac{3}{4}$ m tonnes of coal this year of which only $\frac{1}{2}$ m tonnes would go to these power stations. Therefore, in the event of a miners' strike it would be possible for these CEGB power stations to increase their imports by about 150,000 tones per week if the necessary coal could be acquired on the world market.

51A. So far as other port facilities are concerned, previous studies have established that if, at relatively small cost, all suitable ports were to be switched to handling coal, their capacity could be increased from the present level of 2-3 m tonnes per year to possibly 10-12m tonnes per year. But this would involve major transfers of capacity including adopting existing British Steel Corporation (BSC) facilities to handle coal imports, and might take 12-18 months overall, the construction of some relatively small, rail links might be necessary; and the extent to which facilities could be adapted would depend on their likely pattern of use in the future for the import of iron ore. Further work, probably involving consultations with the industries concerned, would be required to clarify the scope for adapting BSC's facilities. But we do not recommend that this should be undertaken at this stage, since power station port capacity in the South East is likely to be more than sufficient for the level of imports which will probably be available on the world market within the period covered by this report.

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52. There are, however, two limitations on the use of extra coal imports. The first is that additional imports are unlikely to be available in the short term. There is no significant spot market for coal in Western Europe as there is for oil and, while it might be possible to pick up odd cargoes, it is more likely that it would take between 1 and 3 months to secure single shipments. Moreover, the world market is under pressure following strikes in America, Australia and Poland while demand for coal is rising. Therefore, unless a decision to increase imports was taken well in advance the impact that they could make on endurance seems likely to be limited.

53. The second limitation is the impact of industrial action. In the past power station workers have been prepared to handle contracted coal imports during coal emergencies and we have no reason to believe that they would not do so in the autumn. But it is possible that extra coal imports during a miners' strike would be "blackened" by the National Union of Seamen (NUS), the dockers or the power station workers and it is unlikely that the NUR would be prepared to handle coal imports for power stations. It is also likely that the NUM would take steps to prevent additional coal imports being used.

54. If miners were to picket places other than their place of work (for example docks and power stations) they would have no immunity from civil action and anyone whose commercial contracts were broken as a result of such picketing would be able

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to seek an injunction against named picket organisers; anyone who failed to comply with the terms of such an injunction could be subject to fine (which might be paid by the NUM) or imprisonment. However, the miners can be expected to have less regard than most for industrial relations law. When they see that the Government is determined to withstand a strike they are likely to take tough and determined action, as they have done before, for example by way of flying pickets at docks and inland power stations. They will be well organised, and capable of switching targets in such a way as to make it difficult for the police to match them in sufficient numbers at short notice. This will not in itself amount to criminal behaviour, but it may well give rise to it if it involved intimidation of people willing to cross a picket line and to violence against them or against the police trying to protect them. To assist the police in reacting to the threats of violence and intimidation posed by flying pickets, arrangements for mutual aid between police forces may need to be implemented. The National Reporting Centre in New Scotland Yard may need to be in operation throughout the strike; this is the machinery by which police support units can be moved away from any part of the country to assist a force in urgent need of reinforcement. The Home Secretary and the Secretary of State for Scotland have residual powers (never yet used) to direct one force to reinforce another.

55. Secondary action by, for example, the NUS, ^{the dockers} /or the NUR, is also possible. The legal position in respect of secondary action is more complex. Secondary action in the form of blacking or a sympathetic strike would be unlawful if the employers of those taking the action had no commercial contract with the NCB, that is they were not direct customers or suppliers of the NCB. Thus secondary action by employees of transport undertakings which had contracts only with the Electricity Boards (for example, British Rail) but not with the NCB or by employees of other firms without commercial contracts with the NCB would be unlawful. Secondary action by employees of the Electricity Boards or of other firms which did have contracts with

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the NCB would be lawful only if its principal purpose was to disrupt coal supplies between NCB and the Electricity Boards, and not if it went further and was aimed principally at other suppliers, for example of electricity or ancillary materials. Any employees taking such action would in any case be in breach of their employment contract and therefore subject to disciplinary sanctions or dismissal by their employer. If dockers or others were induced to black imported coal or to picket their place of work with the same object this would not attract civil immunity and actions for an injunction or damages might be brought by those whose contracts were affected. If the Electricity Boards, for example, wished to secure access to stocks of imported coal unloaded at ports but subsequently blacked by dockers, they could seek an injunction in the High Court against those responsible for the blacking. The action might, for example, name one or more of the dockers concerned and a senior official of his union. The injunction, if granted, would require those concerned to stop organising the blacking. If the injunction was ignored by those named in it, or by others who sought to take their place, this would constitute contempt of court which may be punishable by fines and in the last resort imprisonment. In practice, employers are often reluctant to prejudice relations with their own employees and to risk further industrial action which could arise out of an application for an injunction though this might not apply to employers not otherwise affected by the dispute who were anxious to secure deliveries of coal from the docks.

56. We have also considered whether the production of opencast coal mines could be increased, but we think it unlikely that this could make much impact on endurance times. Although the workers at NCB's opencast mines are members of the Transport and General Workers' Union and not of the NUM, we think it unlikely that they would be prepared to increase production and to allow the resulting extra coal to make good part of the deficiency arising out of a miners' strike. But even if they were, the

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coal would be picketed at the power stations even though this would be unlawful. In any case, opencast pits currently account for only about 11 per cent of total coal production and we doubt if this could be increased to more than 12 per cent in the short term. Some power stations are supplied direct by conveyor from open-cast sites, and these supplies would probably be maintained during a miners' strike, but their contribution to endurance would be very limited.

57. Finally, supplies of coal are not in themselves sufficient to ensure that electricity supplies are maintained; adequate supplies of ancillary materials are also essential. This has already been discussed.

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(iv) reducing demand for electricity

58. There are a number of ways in which electricity demand can be restricted, as follows:-

(a) under powers contained in the Energy Act 1976, the Government can:-

(i) restrict industrial and commercial users to using electricity only on specified days of the week;

(ii) require specific percentage cuts in consumption; and

(iii) ban completely the use of electricity for certain purposes e.g. advertising, heating in public buildings (but this would have only a minimal impact on total electricity consumption).

(b) the Electricity Boards can also introduce rota disconnections, with the Government's authority, in addition to the measures listed above.

58A. Rota disconnections or a statutory requirement to reduce electricity consumption by a specified amount would apply equally to domestic and non-domestic consumers; but the latter would be difficult to enforce, and might not produce sufficient savings. A reduced working week, on the other hand, would concentrate the effects of the supply restrictions on industry and commerce and therefore to achieve a particular reduction in total consumption would mean reductions in industrial and commercial electricity consumption of about twice that level. In practice the best approach would probably be a combination of rota cuts and a reduced working week.

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59. However, the extent of the restrictions that can be introduced without causing severe industrial damage and great inconvenience to the domestic consumer, is limited. Generally speaking, provided electricity supplies can be kept at or above 85 per cent of their expected winter level the risk of substantial long-term damage to the economy, is likely to be fairly low in a short strike but would be significantly greater if a strike were to last for a very long time. The experience of 1973-74 suggests, that industry would be able to cope without suffering substantial damage if reductions to this level did not continue for more than about 10 weeks. However, industry is in a much weaker financial position now than it was in 1973 and consequently it would be unlikely to survive for as long during the coming winter without major damage and the collapse of companies already hard hit by the recession. There is very little experience of the impact of electricity supply restrictions over a long period; The only recent experience was early in 1974 during the miners' strike, when electricity supplies were cut by around 15 per cent for 2-3 weeks; these are the most severe electricity supply restrictions that have ever been implemented. It would clearly be important to maintain supplies so far as possible for essential services such as water and sewerage and public transport key defence installations and important industrial processes such as food production, oil refineries and other fuel production facilities and certain continuous processes interruptions in which could be very costly indeed. Therefore, remaining electricity consumption would have to be cut by about 20 per cent to achieve an overall reduction of 15 per cent. However, there is currently considerable slack in the economy and the introduction of rota cuts for reduced working might well have little impact on some sectors of industry and therefore produce little reduction in their electricity consumption. The brunt of electricity restrictions would probably therefore be borne by the successful parts of industry. Past experience of rota cuts shows that domestic consumers tend to use more electricity than normal during the periods when supplies are on and that to achieve a particular level of reduction in consumption requires a much higher apparent level of restriction.

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60. To achieve an overall reduction in consumption of 20 per cent by rota cuts would mean restricting supplies to domestic customers to 3 hours on and 3 hours off during daylight and evening hours for 3 days per week with much smaller cuts on the other days including Sunday; and industry and commerce would have electricity supplies equivalent for about half their normal working day. Street lighting would also be cut off during periods of rota disconnections, with implications for crime public order. The approach which the Electricity Boards would initially adopt to rota cuts would be designed to protect so far as possible essential services and vital industries during periods of disconnection. But this would require a large amount of manual switching and could be maintained for only 3-4 weeks at the most before the engineering staff concerned would not longer be able to cope. Once that point had been reached, the Electricity Boards would introduce a much cruder plan, entirely reliant on remote switching which would not distinguish to nearly the same extent between priority and other users, although it could be implemented for an indefinite period.

61. To achieve a similar level of reduction through the statutory control of days worked or a requirement to achieve specified reductions in electricity consumption would probably mean the eventual closure of those parts of industry which could not obtain materials or spares or which could not maintain financial stability under the prevailing conditions.

62. If the Government wished to withstand a very lengthy miners' strike more severe electricity supply reductions might eventually prove necessary.

It is not possible in the absence of any experience of cuts of this magnitude

to do more than speculate on what the consequences might be, but they would clearly be severe. For example, to reduce electricity consumption to 50 per cent of normal winter level by rota cuts would mean that consumption would have to be cut to $\frac{1}{3}$ of its normal level ie consumers would have electricity supplies an average for only 3 hours out of every 9 and on some days supplies would be cut off for 12 hours or more consecutively and commerce and industry would have electricity supplies equivalent to only

SECRET

about $\frac{1}{4}$ of their normal

SECRET

AND PERSONAL

working week in isolated 3 hour periods. As a result some industries might well be and this could, in turn, precipitate the closure of others, if it gave rise to shortages of vital industrial materials and supplies which could not be obtained from abroad. Other industries might be able to operate at only about 10 per cent of their normal level. Much of commerce might be completely closed down, and shops might be open for only about 3-6 hours per day unless they /had emergency equipment eg. gas lanterns. Food supplies would start to deteriorate and it might not be possible to maintain supplies of milk or meat. Severe shortages of this nature might well eventually give rise to looting and rioting particularly since unemployment by then would probably be very high. There is also the danger that whole areas might be without electricity supplies for long periods if the switches in the electricity supply grid were to fail or become difficult to manipulate properly.

63. Once coal supplies for the power stations run out oil-fired, hydro and nuclear-powered electricity generating stations could together produce about 20-30 per cent of expected electricity demand this winter (but up to 50 per cent in Scotland), for as long as oil supplies continued to be available. (Although the Scottish and Central Electricity Generating Board systems are inter-connected, they cannot be run as a single unit because the capacity of the inter-connector is limited and at its maximum could supply only 3-4 per cent of electricity demand in England and Wales). The electricity grid could probably still be maintained in balance even at this low level, but supplies would be available only for the most essential services and perhaps for some limited food distribution. Industry and commerce would be virtually completely closed down and domestic consumers would have electricity supplies for only 1-2 hours a day. The electricity grid would also be unstable and whole areas might well be blacked out for days at a time.

SECRET

AND PERSONAL

SECRET

AND PERSONAL

64. The extra endurance bought through the restriction of electricity supplies is limited. Demand would have to be effectively restricted to 85 per cent of its expected winter level for 6 weeks for endurance to be extended by 1 week; and the restriction of demand to 50 per cent below its expected winter level for 3 weeks would extend endurance only by 1-1½ weeks.

65. The timing and extent of supply restrictions would clearly require careful consideration. The longer they are delayed and the smaller they are, the less their impact on endurance times. But to introduce large restrictions early in the strike could cause damage to industry and weaken public support for the Government. There is no technical reason why they could not be introduced immediately. But in practice it would probably take about a week for restrictions on electricity demand to be organised and come into force after a decision to do so had been taken and an Order and Council under the Energy Act 1976 signed a few days are necessary for rota cuts to be organised in detail and for information about them to be produced and publicised in the views media and in Electricity Board showrooms. Similarly, to prohibit the use of electricity for certain purposes or on certain days or the introduction of a requirements to reduce consumption by a specified amount would require Orders to be made and publicity to be organised.

SECRET

AND PERSONAL

SECRET

AND PERSONAL

THE AVAILABILITY OF PRIVATE ELECTRICITY GENERATING CAPACITY

66. Industry itself generates about 13 per cent of its total electricity consumption with capacity concentrated in a few large firms in those industries which are heavy users of electricity. These private generators carry some spare capacity and their output could probably be increased provided that adequate fuel supplies were available (about half of this capacity is oil-fired; the rest is coal or gas-fired). We do not know to what extent total rated private generating capacity could be operated continuously, but if we assume that output could be doubled the additional output would provide about 5-6 per cent of total normal electricity demand from the Electricity Boards, or a further 13 per cent of industrial consumption. We have no information on the level of fuel stocks normally held by users of private generating equipment, but we do not think that the availability of fresh oil supplies would be a problem.

THE AVAILABILITY OF STANDBY ELECTRICITY GENERATING CAPACITY

67. If the standby generating equipment available to private industry could be fully utilised it might produce a further 10 per cent of industrial consumption (or 4 per cent of overall demand) but only over very short periods.

68. Health service policy on fuel supply emergencies in recent years has been directed to increasing standby capacity rather than protecting hospitals from disconnection when supply cuts are operating. Most hospitals, therefore, including all the main hospitals, have their own standby equipment, mainly diesel generators. Over half of all hospitals have sufficient standby equipment to meet 90 per cent or more of their normal needs; and 80 per cent of hospitals have sufficient equipment

SECRET

AND PERSONAL

SECRET

AND PERSONAL

to meet at least 60 per cent of their needs. In practice, therefore, most hospitals will have sufficient standby equipment available to maintain emergency services, at least, during periods of electricity cuts.

69. Of other key public sector installations, most water and sewerage authorities have now acquired standby equipment; all civil prisons have, or could be provided with, standby generators capable in an emergency of maintaining security and basic regimes; and the Property Services Agency (PSA) has installed some 243 generators to provide standby power in emergency suites in central government offices, regional offices (including Regional Emergency Committees), essential computer installations, government laboratories, government communication centres and air traffic control and metrological stations.

70. Finally, there are more than 5,500 local authority homes in Great Britain and also a large number of privately-run homes, most of which will lack standby equipment. It would not be feasible to supply these with standby equipment from central resources. In these circumstances, therefore, local authorities would probably wish to consider, if necessary, arranging for help from volunteers to look after those in their care, if, for example, electricity rota cuts were to be imposed.

71. In most cases, at least in the public sector, the fuel supplies held on the premises for standby equipment will be sufficient for only 8 or 9 days continuous running, although, in practice, since standby equipment will probably be used only during periods of rota cuts these fuel supplies should last for some time. But, in any case, we do not think that the availability of fresh fuel supplies (mainly diesel oil) is likely to pose a severe problem. This type of equipment is, however, not designed for long periods of continuous running, and if it were to be operated in this way would probably require frequent maintenance to avoid breakdowns. The

SECRET

AND PERSONAL

maintenance of standby generators would normally be the responsibility of the owner or operator. Most firms with such equipment are likely to have their own maintenance capability and those that have not will have access to commercial maintenance facilities. The Services, however, have a limited capacity for the repair of such equipment, although in some cases there might be difficulty because the equipment is unfamiliar or spares are not available. In the unlikely event that the owners' own resources could not cope with the task of regular maintenance, a restricted emergency service could therefore be organised at reasonably short notice.

THE USE OF VOLUNTEERS

72. The main role for volunteers is likely to be in offering assistance to local authority and other homes where, in general, standby electricity generation equipment is not available and to the elderly, the sick etc in the community who are likely to be most seriously at risk as a result of rota disconnections or other cuts in electricity supplies. As we discussed in an earlier section of this report, we do not think that volunteers, even if they were forthcoming, could make much contribution to the transfer of coal stocks from either the pitheads or the ports to power stations.

POSSIBILITY OF SIMULTANEOUS INDUSTRIAL ACTION BY OTHER KEY GROUPS ON OTHER ISSUES

73. It is impossible at this early stage to forecast with any certainty the likelihood of simultaneous industrial action in other sectors, but we review here briefly the main groups with pay settlement dates in the period November to February,

SECRET

AND PERSONAL

when a miners' strike over pay is most likely. Other key groups with pay settlement dates in November are firemen, local authority manual workers and oil tanker drivers. Firemen are already threatening 24 hour strikes from July unless the local authorities restore the index-linking of their pay. The risk of an intensification of strike action from November cannot be ruled out. Similarly, there is at least a risk of spasmodic industrial action by local authority manuals who will be reluctant to accept for a second year any offer much below what they conceive as the "going rate". Oil tanker drivers, who customarily continue bargaining for some long time beyond their settlement date, are likely to be finally offered a settlement they will accept

74. The water manuals' due settlement date is early in December. In each of the last 3 years they have threatened industrial action before settling retrospectively. They might well do so again, although the likelihood is that the unions would want to avoid strike action until the outcome of the miners' negotiations was in prospect. If the miners came to a long strike, the risk of simultaneous action cannot be discounted.

75: In January, dockers at a number of ports, steelworkers (who were denied a pay increase at their last due settlement date for 6 months) and gas manual workers will be expecting to settle. Customarily, dockers are content to let their due date pass before pressing hard, but pressures are evident for enhanced severance terms in the industry and for an extension of the Dock Labour Scheme. A combination of these issues (and the risk that attempts to enforce civil legal remedies against action short of a strike in their pursuit) could lead to the threat of strike towards, or at the turn of, the year. In the aftermath of the 1980 strike, the steel unions will be reluctant to contemplate strike action on pay, but further closures of major plants might produce a climate in which strike action could be mounted. The gas unions are likely to be ready to wait for some time the outcome of a miners'

SECRET

AND PERSONAL

SECRET

AND PERSONAL

strike before taking industrial action themselves.

76. The power engineers in the electricity supply industry have a due settlement date at the beginning of February, but traditionally await the outcome of the manuals' settlement which is not due until March. Any possible simultaneous threat of industrial action in this industry can probably be discounted.

77. This assessment deals only with pay-related issues. But key groups might well strike over other issues. For example, in the case of British Rail, if further curtailment of services to secure economies were introduced in the Autumn; and in the case of the BGC there is the possibility of a strike in January/February when legislation on the disposal of gas showrooms might be under discussion in Parliament.

78. It does not seem to us to be likely, on the basis of this preliminary assessment, that next winter the Services might face difficult problems of priorities in dealing with the consequences not only of a miners' strike but also of strikes by other key groups. If, however, there were to be strikes in other key areas at the same time as a miners' strike - and at this stage a strike in the gas industry in January/February cannot be discounted - possibilities for endurance might well be reduced or at the very least the extra inconvenience and discomfort caused to the general public might be sufficient to undermine their willingness to withstand a miners' strike and this, therefore, could lead to pressure on the Government to facilitate a settlement. We do not think that simultaneous strikes by the miners and by one or more key groups of workers would be likely to lead in itself to more widespread industrial action. In practice trade unions in other key sectors would probably prefer to allow the miners' dispute to be settled before seeking to conclude their own pay negotiations,

SECRET

AND PERSONAL

SECRET

AND PERSONAL

although in some cases if a settlement were to be seriously delayed pressure from the workforce might make industrial action inevitable. If, however, for any reason miners were to be imprisoned, for example for failing to obey an injunction, widespread industrial action, with strong political overtones could quickly result leading, in an extreme situation, to a general strike.

PUBLICITY AND PUBLIC ATTITUDES

79. There are two aspects to publicity. The first is providing essentially factual information to Ministers and to the public about the impact of a strike, and the second is attempting to influence public attitudes.

80. So far as the mechanics of publicity arrangements are concerned, the Civil Contingencies Unit is already reviewing in consultation with the Prime Minister's Chief Press Secretary the form that publicity arrangements might best take in the event of a major strike or other civil emergency and will be reporting separately to Ministers. In the event of a miners' strike it would be particularly important to take steps to reassure the public and also to provide adequate explanations of contingency arrangements eg the timing of rota disconnections.

81. As for influencing public attitudes, Ministers will wish to consider in the event of a strike whether to deply information about the costs to the economy of the coal industry and about the implications for miners' earnings of the closure of uneconomic pits -

- i. to maintain public support for the NCB and the Government ie to ensure that the public continues to understand and accept the need for a firm stand by the Government and the NCB and, therefore, to ensure that the weight of public opinion does not begin to swing towards support for the miners; and

SECRET

AND PERSONAL

SECRET

AND PERSONAL

ii. to undermine the miners' solidarity, so far as that is likely to be possible.

82. The role that publicity might play in preventing a strike was outside our terms of reference and we have not therefore considered this aspect. But it seems to us that publicity is unlikely to make much impact on attitudes once a strike has begun, and that properly planned it could be used to much greater effect well in advance of a strike; separate work is already in hand on this following the letter of 6 July from the Chancellor of the Exchequer's private secretary to the private secretary to the Secretary of State for Energy.

SECRET

AND PERSONAL

AND PERSONAL

PREVIOUS STRIKES IN THE COAL INDUSTRY

1. There have been only three major strikes in the coal industry this century - in 1926, in 1971-72 and in 1973-74. In 1926 the national economy differed so greatly from the present day that no useful lessons can be drawn from that experience. In 1971-72 (when the miners' pay settlement date was 1 November) industrial action took the form of an official ban on overtime lasting for 9 weeks from November 1971 followed by an official strike for 7 weeks from 9 January to 28 February 1972. A Court of Inquiry into the dispute was set up under Lord Wilberforce on 11 February and reported a week later, but the NUM rejected the inquiry award, and normal working resumed only after discussions involving the TUC and the then Prime Minister when the Government conceded a yet more expensive settlement. When the industrial action began power station coal stocks stood at 18.7 million tonnes, which was then equivalent to 8 or 9 weeks endurance. The loss of coal production as a result of the overtime ban was only 5 million tonnes but the strike cut stocks by $19\frac{1}{2}$ million tonnes. In 1973-74, (when the pay settlement date was 1 March) industrial action again took the form of an official ban on overtime, which lasted for 13 weeks from 12 November 1973, followed by a full strike for 4 weeks from 10 February to 11 March 1974. A return to work was achieved only following the dissolution of Parliament and a General Election. The loss of coal production under each form of industrial action was 10 million tonnes (total 20 million), compared with coal stocks of 19 million tonnes at the beginning of the industrial action, which was then equivalent to 8-9 weeks endurance.

2. The outstanding features of industrial action in 1971-72 were -

- a. Widespread picketing (occasionally violent and intimidating) of power stations, industrial installations and coal merchants' depots significantly

SECRET

AND PERSONAL

reduced the usefulness of stocks;

- b. miners were successful in reaching agreements with some other workers (eg railwaymen) not to handle coal supplies; no other union took overt sympathetic action but it was widely accepted and endorsed that unionists should not cross official NUM picket lines;
- c. power stations, which had some 8 weeks' supply when the industrial action started, began to run into severe trouble within about 5 weeks, largely because of interference by pickets with movements of ancillary supplies held by the CEGB.

3. The 1973-74 emergency differed in several respects from that of 1972. The overtime ban was operated much more severely and caused a heavier loss of production which would have been even higher without continuous weekend work by the small corps of management staff. Picketing during the strike itself was much less severe, the NUM limiting pickets at any one place to six; and priority consumers of coal as a primary fuel (ie. where life-support and hardship were considerations) continued to be sufficiently supplied by arrangement with the NUM.

4. In both strikes in the early 1970s the cost of a settlement increased progressively the longer the strike continued.

5. The crucial factor during both strikes was power station endurance and this remains the case. In 1973-74 erosion of power station coal stocks caused the then Government to introduce restrictions on the use of electricity and finally a 3-day working week. So far as the coal burning industries were concerned, coal stocks

SECRET

AND PERSONAL

SECRET

AND PERSONAL

proved to be just adequate, although in many places by the end of the dispute stocks were virtually exhausted. Overall, the effect during the period of the 3-day week was to reduce industrial production by about 8-9 per cent but there are indications that had the dispute continued for much longer the position might have deteriorated quite sharply. For domestic consumers, coal merchants succeeded, through the operation of a voluntary rationing system, in maintaining adequate supplies to those with compassionate needs; and the trades unions co-operated in allowing coal supplies to be delivered to those hospitals which relied on coal for heating.

6. The circumstances which obtain now are, however, significantly different from those in the early 1970s. Miners' earnings are now much more dependent on productivity than they were then, which may mean that they will be less willing to embark on a lengthy period of work-to-rule and overtime ban (which could cost individual miners between £15 and £20 gross per week) than has been the case in the past. The impact of this change has been particularly noticeable in NUM ballots over pay offers in the last few years when there have been marked differences in the levels of militancy between areas of high and low productivity. The rules governing the payments of Supplementary Benefit to strikes have also changed. Since November 1980 the amount of Supplementary Benefit to which a striker may be entitled for his family has been reduced by £12 per week and in most cases urgent needs payments are no longer made to strikers or their families. Furthermore, from April 1982 tax rebates are to be withheld from strikers until after they have returned to work.

7. A further difference between now and the early 1970s is that power stations are now much less dependent on oil than they were then. In the early 1970s coal accounted for 60 per cent of electricity generation, oil for 25 per cent and nuclear power for

SECRET

AND PERSONAL

SECRET

AND PERSONAL

9 per cent. The proportions are now: 78 per cent coal, 9 per cent oil and 12 per cent nuclear. This means that there is now considerable spare oil-fired electricity generating capacity and therefore much greater scope than in the past for substituting oil-fired capacity for coal-fired when coal supplies are scarce. There is also the impact of the Employment Act 1980 on picketing and secondary action to be taken into account.

Finally, industry is now more fragile than in 1973-74 and its ability to withstand and successfully recover from a lengthy universal strike will therefore be significantly less.

SECRET

AND PERSONAL