

Confidential Filing

The Pneumococcosis Etc (Workers Compensation)
Act 1979

NATIONAL HEALTH

October 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5.11.79							
12.11.79							
13.11.79							
22.11.79							
4.12.79							
31.1.80							
8.2.80							

PREM 19/300

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
H (79) 67	25.10.79
H (79) 14 th Meeting, Minute 2	30.10.79
H (79) 76	22.11.79
H (79) 17 th Meeting, Minute 2	27.11.79

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed *A. Wayland*

Date 4 May 2010

PREM Records Team

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National Health



DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
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PS/
Secretary of State for Industry

8 February 1980

Dr Denis Walker
Private Secretary to the
Secretary of State for Energy
Department of Energy
Thames House South
Millbank SW1P 4QJ

cleared by phone
na
MR

Dear Denis,

PNEUMOCONIOSIS SCHEME

Thank you for your letters of 31 January and 1 February.

I confirm that my Secretary of State would have no objection to your making an announcement about the pneumoconiosis scheme at this time nor to your writing to the NUM. However as you will be aware we see great difficulties in your publishing the Coal Industry Bill whilst the steel strike is still on but we assume that the letter to the NUM and the PQ need not mention the Bill directly.

I am copying this letter to the Private Secretaries to the Prime Minister, the Secretaries of State for Employment and Social Services, the Chief Secretary, the Paymaster General and Sir Robert Armstrong and to Bernard Ingham.

Yours faithfully
P. Stredder
PETER STREDDER
Private Secretary

11 FEB 1960



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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

Peter Stredder Esq
Private Secretary to the
Secretary of State for Industry
Department of Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

/ February 1980

Dear Pete,

Further to my letter of 31 January, I should like to make it clear that my purpose was solely to ascertain that your Secretary of State would have no objection to our making this announcement at this time. The policy, and coverage in the Coal Industry Bill, were cleared some time ago.

I am copying this letter to PS/PMG and No. 10 Press Office and also, along with a copy of my letter of 31 January, to PS/Secretary of State for Employment, PS/Secretary of State for DHSS, PS/Chief Secretary and Sir Robert Armstrong.

An early reply would be appreciated as we should like to make the announcement next week.

Yours ever,

Denis

DENIS WALKER
PRIVATE SECRETARY

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13 FEB 1980

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

01 211 6402

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

MAD 5/2.

P Stredder Esq
Private Secretary to the Secretary of State
for Industry
Department of Industry
Ashdown House
123 Victoria Street
London SW1E 6RB

31 January 1980

Dear Pete,

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

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

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

Yours ever,

Denis

Denis Walker
Private Secretary

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

L Daly Esq
Secretary
National Union of
Mineworkers
222 Euston Road
LONDON NW1 2BX

January 1980

PNEUMOCONIOSIS COMPENSATION


Thank you for your letter of 19 December 1979.

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

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

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

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



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

D A R HOWELL

PROPOSED PARLIAMENTARY QUESTION AND ANSWER

Q. TO ASK THE SECRETARY OF STATE FOR ENERGY IF HE INTENDS TO TAKE ANY ACTION TO ALLOW THE COMPENSATION FOR THE PRE-1970 WIDOWS UNDER THE COAL INDUSTRY PNEUMOCONIOSIS COMPENSATION SCHEME TO BE IMPROVED.

A. Yes. I have been aware for some time of the problems caused by the flat rate compensation arrangements for these widows, official records for whom do not now exist. I am glad to say that the Government has decided to ease these problems by providing finance, as suggested by the National Union of Mineworkers with the support of the National Association of Colliery Overmen Deputies and Shotfirers and the British Association of Colliery Management, to enable the minimum compensation under the coal industry Pneumoconiosis Compensation Scheme to be increased to £600. The cost of the modification to the compensation arrangements will be a once for all payment to the National Coal Board not exceeding £7m in 1980-81. The payment will, of course, be subject to Parliamentary authority and provision will be taken for the payment in the 1980/81 Main Estimates.

PRIME MINISTER

As you requested, the problems over pneumoconiosis compensation were reconsidered in H. The minutes are attached.

The Chief Secretary has agreed to find £10 million from the Contingency Reserve. The Committee agreed that the NCB would have to find any additional costs above this figure arising from improvement of the miners' scheme.

Patrick Mayhew told the House today that the necessary Orders will now be laid tomorrow.



4 December 1979

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cc Master Set

10 DOWNING STREET

From the Private Secretary

13 November 1979

The Prime Minister spoke to the Home Secretary and the Chancellor this evening about the recent correspondence on the Pneumoconiosis Etc (Workers' Compensation) Act 1979.

The Prime Minister entirely endorses the principle about decisions taken by Cabinet committees set out in the Home Secretary's letter of 9 November. She would therefore not wish the decision taken without reservation in H Committee to be reopened now in Cabinet. But, as it appears that further consideration of this decision has underlined difficulties that it may cause, she has agreed with the Chancellor and the Home Secretary that H should now take a further look at the question as quickly as possible.

The Home Secretary told the Prime Minister that a further discussion in H could well result in no agreement, in which case he would then have to refer the matter to Cabinet as an unresolved issue.

I am sending copies of this letter to Martin Hall (HM Treasury), Ian Fair (Department of Employment), Bill Burroughs (Department of Energy) and Martin Vile (Cabinet Office).

M. A. PATTISON

J.A. Chilcot, Esq.,
Home Office.

A large, stylized handwritten signature or set of initials in the bottom right corner of the page.

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MR. LANKESTER

Non-Coal Pneumoconiosis

The Chancellor of the Exchequer wishes to see the Prime Minister this afternoon about the non-coal pneumoconiosis scheme, seeking her agreement to raise the matter in Cabinet on Thursday.

2. The issue is about the amount of compensation payments to be made under the Pneumoconiosis Etc. (Workers' Compensation) Act 1979, passed in April with all-Party support. The payments would be prescribed in regulations to be approved by both Houses of Parliament. The Act provided for lump sum compensation to people outside the coal industry, disabled by pneumoconiosis, etc., who had no other means of redress.

3. Home and Social Affairs Committee approved the proposals of the Secretary of State for Employment for the amounts of the payments at its meeting on 30th October (14th Meeting). It was pointed out at the meeting that there were likely to be repercussions for the NCB scheme of compensation for miners. The Chief Secretary said that there could be no question of the Government finding extra money, estimated at £30 million, to top up the NCB scheme. The Committee decided, however, that despite this possibility, the Government had a clear commitment to provide realistic levels of compensation, and went on to approve the Secretary of State's scheme.

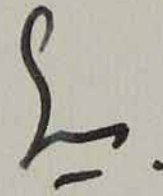
B, C. 4. Following the meeting, the Chief Secretary and the Secretary of State for Energy have corresponded (letters of 5th and 8th November respectively) to see whether any topping up amounts for the NCB scheme could be found within the NCB cash limits. The advice is "No". In the light of that advice, and because of the risk of, and extent of, possible repercussions, the Chancellor of the Exchequer wishes to re-open the non-coal scheme in Cabinet.

A 5. The Home Secretary was gravely displeased at the Chief Secretary's intention to re-open the matter after H Committee had approved it, and wrote to him in the terms of his letter of 9th November. In the light of his views, the Prime Minister will certainly need to consult him before deciding whether to allow the matter to be brought to Cabinet, and it may be best to have him along at any meeting with the Chancellor of the Exchequer.

6. On the question of bringing the matter to Cabinet, the following points are relevant:-

- (i) "Questions of Procedure for Ministers" says that the only automatic right of appeal is if Treasury Ministers are unwilling to accept expenditure as a charge on the Contingency Reserve. In this particular case, expenditure on the non-coal scheme would not be such a charge; but it appears that any consequential expenditure on the NCB scheme would be. Otherwise "Questions of Procedure" say that the Prime Minister will only entertain appeals to the Cabinet after consultation with the Chairman of the Committee concerned.
- (ii) If the matter is to be re-opened, the Secretary of State for Employment must be informed promptly, since he is about to lay the regulations before Parliament.
- (iii) What are the Chancellor's counter proposals. Presumably he wishes to lower the amounts of compensation to be paid under the non-coal scheme - is this realistic? The proposed payments are not particularly generous and, compared with the rates set in 1974 for the NCB scheme, have not been fully uprated for inflation. Or does the Chancellor wish to see only the provision for widows amended? As far as widows are concerned, the non-coal scheme is more generous than the NCB scheme, because the necessary evidence is available, and would be difficult to disregard.
- (iv) If the matter is to be raised in Cabinet, it is too late for a paper to be prepared for this week's meeting. Would it not be best to take it the following week? (The agenda for Cabinet is light both this week and next.)
- (v) An alternative to bringing it to Cabinet would be to refer it back to H Committee to enable the NCB aspects to be further considered and, if necessary, the non-coal scheme revised. Would the Prime Minister and the Home Secretary prefer this course?

7. The Prime Minister will wish to hear what the Chancellor of the Exchequer and the Home Secretary have to say before deciding whether the matter should be re-opened. However, any further consideration of the substance should be on the basis of firm alternative proposals from Treasury Ministers.



M (M. J. Vile)

13th November 1979

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PRIME MINISTER

I attach (Flag A) the Home Secretary's response to the Chief Secretary's wish (Flag B) to take to Cabinet Mr. Prior's proposals on the Pneumoconiosis etc. (Workers' Compensation) Act 1979.

No doubt colleagues will accept the Home Secretary's forthright statement of the understandings within which Cabinet Committees operate. Provided you agree with his assessment, I see no need for you to enter the correspondence. Sir Robert Armstrong does not wish to comment.

M.A.P.

12 November 1979

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QUEEN ANNE'S GATE LONDON SW1H 9AT

9 November 1979

Dear John.

PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) ACT 1979

I have been considering your letter of 5 November to David Howell about the scheme of compensation for non-coal pneumoconiosis. You indicated that you would wish Jim Prior's proposals to be considered by Cabinet unless you received an undertaking that any consequential claims from coal miners' dependants (estimated to cost £30 million) could be met from the sums for the NCB agreed recently by E Committee. I see that David Howell has not been able to give you the undertaking you were seeking.

I am bound to say that I have the strongest reservations about reopening discussion of the non-coal scheme in Cabinet. When H Committee considered the matter on 30 October it was clear that the scheme might have repercussions for the coal miners' scheme; that claims for parity of treatment for miners' widows, if successful, would cost £30 million; and that in such an event there would be pressure on the Government to make the necessary money available directly. You were clear in your view that the Government ought not to finance additions to the NCB scheme. In reaching their decision the Committee took full account of the various contingent possibilities, but concluded that the risk of claims for similar treatment should not be allowed to stand in the way of a realistic scheme of compensation for industrial respiratory diseases outside the coal industry. You did not at the time reserve your position on the non-coal scheme, and in the absence of fresh arguments I cannot see any justification for taking the matter to Cabinet now. Quite apart from this particular set of proposals, I believe more generally

The Rt. Hon. John Biffen, M.P.

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that it would undermine the usefulness of Cabinet Committees if matters which they had decided without reservation were subsequently to be reopened in Cabinet itself.

I am copying this letter to the Prime Minister, members of H Committee and David Howell, and also to Sir Robert Armstrong.

Yours

W. H. H.

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Mr Paterson

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE, SOUTH
MILLBANK, LONDON, W1P 401
01 211 6402

R

12/4

Rt Hon John Biffen MP
Chief Secretary
Treasury Chambers
Parliament Street
LONDON SW1P 3HE

8 November 1979

Dear John

Thank you for your letter of 5 November about the Pneumoconiosis (Workers Compensation) Act 1979.

I agree that if the payments proposed for people outside the coal industry are made there would be a repercussive effect on the NCB scheme with a likely cost of £30m. But I cannot possibly agree that the NCB should have to find this money. We have only just given them a long-term strategy, and also a cash limit for next year. I am sure that it would be wrong, within days of having done so, to impose a substantial additional cost on them as a result of Government action. We shall expect them to keep to the figures in the strategy, and we cannot change the rules of the game ourselves.

I think that we shall therefore, as you suggest, have to consider the matter further in Cabinet.

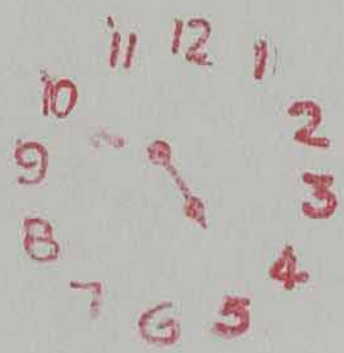
COPIES OF THIS LETTER TO COMMITTEE, PRIME MINISTER & SIR ROBERT ARMSTRONG

Paterson

D A R HOWELL

Paterson

12 NOV 1979



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Prime Minister Nat Health



You should be aware of this issue - which may have to come to Cabinet.

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon David Howell MP
Secretary of State for
Department of Energy
Thames House South
Millbank
LONDON
SW1

TL
6/11

5 November 1979

Dear David,

PNEUMOCONIOSIS ETC (WORKERS COMPENSATION) ACT 1979

Flas A

I have now seen the minutes of last Tuesday's H Committee at which it was agreed that despite the possible repercussions for the NCB pneumoconiosis scheme, Jim Prior's proposals in H(79)67 for compensation payments for people outside the coal industry disabled by pneumoconiosis and other diseases should proceed. John Moore represented your Department at the meeting of H Committee.

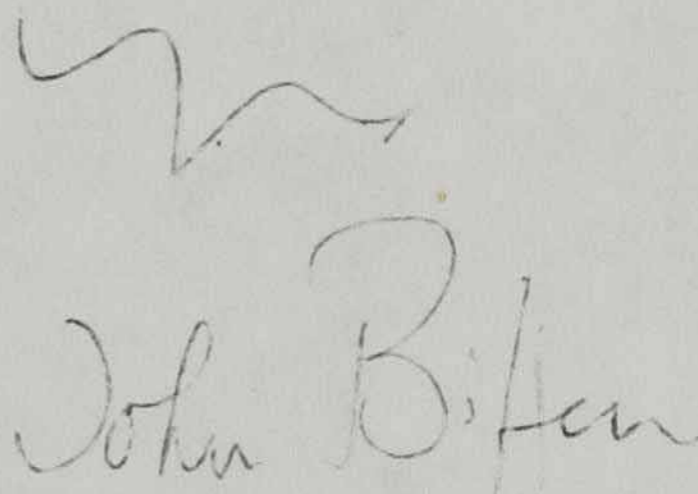
In the discussion I expressed concern that the level of payments proposed in H(79)68 was on the generous side and would inevitably have repercussions for the existing NCB scheme. A feature of Jim Prior's proposals is that there would be substantial compensation to widows and dependents of people who had died from the diseases concerned at any time before the Act came into force. This contrasts with the NCB scheme, which had provided only for lump sum payments of £300 or £150 for the dependents of sufferers who died before 1970. This was because of NCB had access only to medical records which were destroyed 5 years after death, while for workers outside the coal industry records were available going back to 1952 and in some cases beyond.

In these circumstances an announcement of substantial compensation for widows etc of sufferers outside the coal industry will almost certainly stimulate the strongest demands from the NUM that miners' widows who had so far received only token lump sum payments should too be entitled to higher compensation from the State. The cost would, I understand, be £30m.

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Thus, the effect of H Committee's decision would be that we would be faced with a demand for a further £30m from public expenditure. This is most concerning and I am writing now to make it clear that if this does happen, I would expect that the amounts involved should be found from within the sums for the NCB agreed recently by E Committee. If you cannot give me that undertaking, I think that Jim Prior's proposals will need to be considered by Cabinet. In the meantime I should be grateful if he would not make any public commitment as a result of H Committee's decisions.

I am sending copies to this letter to the Prime Minister, members of H Committee and Sir Robert Armstrong.



JOHN BIFFEN



NOV 15 1979



