

Next Top Coal

Extracts copied to
Water workers +
Steel.



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P.0427

PRIME MINISTER

INDUSTRIAL AFFAIRS

BACKGROUND

This item has been placed on the Cabinet agenda at the last minute in order to provide an opportunity for the Secretary of State for Energy to inform colleagues of the latest state of play in the coal-mining dispute, the Secretary of State for the Environment to report similarly on the water industry's pay negotiations and for the Secretary of State for Industry to report on developments in the private sector of the steel industry.

It would be unrealistic to expect the Cabinet to reach specific decisions, having no papers before them, but a useful general orientation may emerge. The situation in the coal and steel industries is of course to be discussed further by E Committee next Monday morning.

HANDLING

Flag A ←

2. Coal: You will want to invite the Secretary of State for Energy to report on Wednesday evening's tripartite discussion with the NCB and the NUM. The Chancellor of the Exchequer and the Secretary of State for Employment will no doubt also wish to contribute - as will the Home Secretary on the CCU aspects (he is likely to indicate that the situation is still much as it was when reviewed in 1979 - E(79) 73 refers). You may judge it wise to limit discussion thereafter on the grounds that E has the whole subject in hand.

Flag B —

Flag C

3. Water: You will want to ask the Secretary of State for the Environment to report on the latest state of play on the water negotiations. His main concern may be to sound out colleagues on whether he should give further instructions to the National Water Council (which would have to be essentially either 'stand firm' or 'settle') or stand back and let them evolve their own solution. The balance of advice from colleagues is likely to be in favour of the latter course.



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4. Private steel industry: You might ask the Secretary of State for Industry to report, as far as he can, on the present position. The information he gives may well be commercially confidential and if so you will wish to urge absolute discretion on the Cabinet.

CONCLUSIONS

5. On both coal and steel the Cabinet need do no more than take note - with perhaps a rider inviting the Home Secretary to arrange for the CCU to report on the latest position as it affects coal. On water, it may be sensible to record an invitation to the Secretary of State for the Environment to take account of the points made in discussion in his handling of the situation.

P Le CHEMINANT

Cabinet Office
18 February 1981

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