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MISC 101(84) 5th Meeting

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CABINET

MINISTERIAL GROUP ON COAL

MINUTES of a Meeting held at
10 Downing Street on
WEDNESDAY 28 MARCH 1984 at 4.00 pm

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Leon Brittan QC MP
Secretary of State for the
Home Department

The Rt Hon Peter Walker MP
Secretary of State for Energy

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon Tom King MP
Secretary of State for Employment

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Sir Michael Havers QC MP
Attorney General

The Rt Hon Peter Rees QC MP
Chief Secretary, Treasury

The Rt Hon Paul Channon MP
Minister of State
Department of Trade and Industry
(Minister for Trade)

Mr Allan Stewart MP
Parliamentary Under-Secretary
of State, Scottish Office

SECRETARIAT

Mr P L Gregson
Brigadier J A J Budd
Mr J F Stoker

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SECRET AND PERSONAL

1. INDUSTRIAL ACTION IN THE COAL INDUSTRY

The Group considered a number of oral reports.

THE SECRETARY OF STATE FOR ENERGY said that the same number of pits were working as on the previous day. Numbers of miners going to work had increased, however, while numbers of pickets were smaller and their morale was lower. Miners in the Midlands were ignoring a call by the union to strike. Levels of deliveries to power stations were being maintained. It had been possible to achieve helpful levels of imports, including some imports of coke for larger foundries. Estimates of total endurance remained unchanged: the Central Electricity Generating Board (CEGB) was moving to maximum oilburn as quickly and discreetly as possible.

A problem had arisen over the costs of oilburn since the Group's earlier discussion at MISC 101(84) 4th Meeting. The Electricity Consumer Councils would have the right to comment on proposals for any increases in charges consequent on an increase in oilburn. Not only would this increase public visibility, but the Councils might have a legal right to challenge the decision to increase oilburn while substantial reserves of coal continued to be available. He suggested that no action should be taken by the CEGB at the moment to increase charges, and that consideration of how the costs of oilburn should be borne should be postponed until a later stage.

There had been pressure on the National Coal Board (NCB) in the media and elsewhere to renew action in the Courts. There were indications, however, that those leaders of the National Union of Mineworkers (NUM) who favoured the strike were becoming increasingly frustrated at the restraint shown by the NCB in a dispute which they saw as the decisive confrontation on closures. Eight members of the National Executive of the NUM had called for a national ballot following a meeting on the previous day. That meeting had been an encouraging development and a blow to the morale of militants within the union. In his view there was as yet no justification for a change in the NCB's tactics.

AND PERSONAL

The current pay negotiations for workers in the electricity supply industry could have implications for the miners' dispute. The CEGB hoped that it might be possible to reach an early settlement at a level around 4.5-4.6 per cent. The prospects would be clearer after an informal meeting between the Board and union leaders due to take place later that week. If a settlement was reached, however, it would be formally concluded on 11 April, the day before the next scheduled meeting of the National Executive of the NUM. A settlement at that point could clearly be of help to moderate elements on the Executive in seeking a national strike ballot. It would not be helpful, however, if, as was customary in the electricity supply industry, the unions were to present the settlement in a way which maximised, or even exaggerated, the level of increase agreed. In consultation with the CEGB, he would be seeking to ensure that the true level of any settlement for electricity supply workers on 11 April was accurately reported.

THE HOME SECRETARY said that, as the Secretary of State for Energy's report had shown, the police operation had continued successfully. The pickets' latest tactic of blocking major roads had been anticipated by the police and dealt with promptly and successfully. The effect of the blockades on public opinion had been counter-productive to the strikers' case. He had appeared on radio and television earlier that day to talk about the blockades and had taken the opportunity to stress that no deterioration was taking place in the level of working in the coal fields.

THE MINISTER OF STATE, DEPARTMENT OF TRADE AND INDUSTRY said that, as reported previously, some foundries were running short of fuel supplies. In addition, the British Steel Corporation (BSC) had reported problems at some integrated steel works. At Teesside, there was some prospect that members of the Transport and General Workers Union (TGWU) might refuse to unload a coke boat due to arrive on Sunday 1 April. If this happened, the plant could close by 3 April. The works at Scunthorpe, usually supplied from a coke depot in Sheffield which had been heavily picketed, might have to cease production on 14 April if no further supplies were obtained. Less immediately, there was a need to obtain further supplies for Llanwern.

THE PARLIAMENTARY UNDER-SECRETARY OF STATE, SCOTTISH OFFICE said that the position in Scotland as regards pickets remained unchanged. The South of Scotland Electricity Board (SSEB) was increasing oilburn in order to maintain the maximum contribution to supplies in England and Wales via the interconnector. This would be done as unobtrusively as possible, though it was inevitable that the start-up of oil-fired plant at Inverkip would be noticeable.

THE PRIME MINISTER, summing up the discussion, said that it was encouraging that the level of coal production achieved the previous week was being maintained and that police operations were continuing successfully to ensure that those who wished to go to their place of work were able to do so. The Secretary of State for Energy should examine and report further to the Group on current endurance in Northern Ireland and should continue generally to ensure that everything possible continued to be done to maximise endurance in the country as a whole. The Home Secretary should continue to monitor closely the public order aspects of the dispute. For the reasons identified by the Secretary of State for Energy in his oral report, the Group agreed that no action should be taken for the time being to raise electricity charges to consumers to reflect increased costs to the CEGB arising from oilburn. The Group would return to this question at a later stage. In the meantime, the policy of the Government should continue to be to leave the conduct of the dispute itself to the NCB and to ensure so far as possible that no action was taken by Ministers or others to raise the temperature of the dispute in ways which might strengthen the hands of the strikers.

The Group -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Secretary of State for Energy to investigate and report further on endurance in Northern Ireland.
3. Agreed that no action should be taken for the present by the Central Electricity Generating Board to raise electricity charges to consumers to reflect the additional costs of oilburn.

2. COSTS OF POLICING THE DISPUTE

THE HOME SECRETARY said that he had discussed further with the Secretary of State for the Environment, who could not be present that afternoon, questions arising from the costs of policing the dispute. The Group had agreed at its fourth meeting (MISC 101(84) 4th Meeting, summing up) to exempt additional expenditure on policing the dispute from grant holdback, subject to a threshold. The Secretary of State for the Environment had initially proposed to do this by means of a threshold of 50 pence per head of population. Further consideration of the formula had made it possible to contemplate a reduction in the threshold to 10 pence per head. The Secretary of State for the Environment considered the retention of a threshold at this level desirable to exclude claims from police authorities for sums too small to be genuinely significant. He himself, however, considered that a threshold on the basis proposed by the Secretary of State for the Environment was no longer necessary if it was indeed possible to define the scope of the disregard satisfactorily. In particular, the proposed threshold would discourage some police authorities which might otherwise have been prepared to make some modest contribution to the policing of the dispute through mutual aid arrangements.

It was necessary to consider separately whether there was a case for additional financial assistance to Nottinghamshire County Council in particular and possibly other authorities subsequently on a similar basis, to meet centrally some of the actual costs of police action in excess of the amount (about 65 per cent in the case of Nottinghamshire) already covered by general or specific grant arrangements. He was to receive the following day a deputation from Nottinghamshire County Council, which had made a strong case for such aid. He proposed that he should tell the deputation that, although the Government could not at the present stage decide on the extent of additional help, they agreed that some such help for Nottinghamshire would be necessary, its extent to be decided when the amount of the additional costs was known.

THE CHIEF SECRETARY, TREASURY said that it would be desirable to retain a threshold for the proposed disregard in respect of additional expenditure on mutual aid arrangements for policing the dispute for the reasons identified by the Secretary of State for the Environment and reported by the Home Secretary. There might be difficult problems of definition involved in operating a disregard without a threshold on the basis proposed by the Home Secretary, which might also produce awkward claims for very small sums to be disregarded. There were strong objections also to additional aid for police authorities from central Government for the actual costs of policing the dispute. Such aid would provide a difficult precedent on which similar claims might be based in future by local authorities in relation to problems ranging from exceptional policing operations to natural disasters.

THE PRIME MINISTER, summing up a short discussion, said that, in the interests of maintaining the greatest possible level of co-operation by police authorities in dealing with the dispute, the Group was satisfied both that the proposed disregard for purposes of grant holdback should not be subject to a threshold; and that some additional Exchequer assistance to Nottinghamshire County Council with the actual costs of policing the dispute was appropriate. The scale and duration of the police operation in the Nottinghamshire coal field meant that the problem was genuinely sui generis. The Home Secretary should respond sympathetically to the deputation from Nottinghamshire County Council when he met them on the following afternoon along the lines he had proposed to the Group. It would be necessary when the amount of the additional assistance came to be decided for the county council's claims to be considered in a sympathetic and generous way.

The Group -

1. Agreed that the disregard for holdback purposes of the costs of policing the dispute should not be subject to any threshold.
2. Agreed that the Home Secretary should respond sympathetically and generously to the request of Nottinghamshire County Council for additional Exchequer aid towards the costs of policing the dispute.

Cabinet Office

29 March 1984