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PRIME MINISTER

MISC 101(84)16th: Coal

After the usual reports, you may think it timely to have a preliminary discussion on a strategic issue which may soon have to be addressed, ie how far should the NCB be prepared to go (and be allowed by the Government to go) in negotiations about closures as part of a settlement of the dispute.

2. It is clear of course that the Press stories about the two sides coming together are based on presentational initiatives of one kind or another, for example by the Labour front bench and the two smaller mining unions, and on NCB statements designed to avoid the appearance of intransigence, while trying to rest on the status quo, for example the established local procedures, the consultative machinery and so on. Until Mr Scargill resiles from his public position of not being prepared to talk about closures other than exhausted pits, there is no basis for a negotiation. Moreover there is no reason at present for the Government or the NCB to force the issue. It would probably be better to wait until the internal strains within the NUM have become more acute and more apparent publicly.

3. Nevertheless Ministers will not wish to wake up one morning to find that the NCB is in the middle of a negotiation about closures without their ever having had the opportunity to discuss what the Government would wish to see come out of this strike. The following points may be worth bearing in mind:

i. It would be unrealistic to suppose that the NUM would accept total defeat on the closures issue.

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ii. Mr Scargill will have to withdraw from his public position on non-economic pits; that would itself be a presentational victory, but a very far from adequate victory in substance.

iii. The NCB must emerge from this dispute with enough flexibility on closures not only in the current year but in the next few years to make possible worthwhile public expenditure savings within the lifetime of this Parliament.

iv. Although the talking should be between the NCB and the NUM and the Government should not be involved, the Government has too much at stake to allow the NCB a completely free hand.

v. We therefore need to have some clear ideas as to what our desired objectives and minimum requirements are, and how they can be achieved in negotiation whether by agreement to a phased programme, by new agreed procedures or in some other way.

vi. Although it is too soon to talk now, the right time to talk will be while the Government and NCB are seen to be winning, with plenty of time in hand. In order to be ready for that, some thinking (but very discreetly) must be done now.

4. It will not be possible to do more than exchange a few preliminary thoughts on this (assuming you were to think it timely and worthwhile) at Monday's meeting. I understand that Mr Walker may not be free to attend the MISC 101 meeting provisionally arranged for noon on Wednesday. The right course might therefore be to ask Mr Walker to be ready to talk about his ideas (taking account of Mr McGregor's latest thinking) after the Spring Bank Holiday.

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*Pc*  
P L GREGSON

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