

Note
Recommendation passed in
confidence to Robert Maxwell,
virtually verbatim.

Ozfd
or 822 3001

Sub
25/8

CONFIDENTIAL

PRIME MINISTER

ROBERT MAXWELL TELEPHONED AGAIN OVER THE WEEKEND TO FOLLOW UP HIS CONVERSATIONS WITH TIM FLESHER LAST WEEK.

HE ASKED ME TO TELL YOU THAT "A MAJOR INITIATIVE" IN THE COAL DISPUTE WAS BEING CONTEMPLATED BY THE TUC. THE LEAD IS SUPPOSED TO BE TAKEN BY TERRY DUFFY WITH "ENCOURAGEMENT" FROM MR MAXWELL.

MR MAXWELL AND MEMBERS OF HIS BOARD ARE HOPING TO MEET MR SCARGILL IN SHEFFIELD TOMORROW (TUESDAY). HE WOULD LIKE TO BE ABLE TO PROPOSE AT THAT MEETING A FURTHER, TRIPARTITE, MEETING BETWEEN THE TUC (SIC), THE COAL BOARD, AND MR WALKER. BUT HE WOULD NOT WISH TO PUT THIS FORWARD WITHOUT YOUR KNOWLEDGE, AND HE HOPES TACIT APPROVAL.

COMMENT

I THINK YOU WILL WANT TO SUP WITH WITH A PRETTY LONG SPOON. ~~XXXXXXXXXX~~ NOW WOULD BE A BAD TIME FOR THE GOVERNMENT TO DEPART FROM ITS NON INTERVENTIONIST STANCE, JUST WHEN THE TIDE IN PUBLIC OPINION - AND TO AN EXTENT WITHIN THE NUM - SEEMS TO BE TURNING AGAINST MR SCARGILL. IF MR WALKER WERE TO ATTEND SUCH A MEETING HE WOULD NECESSARILY BE PRESSED TO PROVIDE MORE MONEY TO FINANCE A SOFTER LINE ON UNECONOMIC CAPACITY.

IN SHORT IT SEEMS TO ME THAT THERE IS NO ADVANTAGE IN MR MAXWELL'S IDEA FOR THE GOVERNMENT AND A LOT OF DANGER.

RECOMMENDATION

MAY I PASS BACK THE FOLLOWING RESPONSE IN CONFIDENCE:

- (I) YOU ARE MOST GRATEFUL TO HIM FOR KEEPING YOU IN TOUCH
- (II) YOU WOULD NATURALLY WELCOME A RESUMPTION OF TALKS BETWEEN THE TWO SIDES IN THE COAL DISPUTE. BUT YOU SEE LITTLE PROSPECT OF SUCH TALKS MAKING HEADWAY UNLESS AND UNTIL THE NUM LEADERSHIP ARE PREPARED TO MODIFY THEIR TOTALLY UNREASONABLE VIEW THAT PITS SHOULD BE KEPT OPEN WHETHER OR NOT THEY ARE BENEFICIAL TO THE INDUSTRY.
- (III) YOU SEE NO ROLE FOR THE GOVERNMENT IN ANY TALKS AT THE PRESENT TIME. THE GOVERNMENT HAS DONE ITS PART PROVIDING RECORD INVESTMENT, GENEROUS TERMS FOR VOLUNTARY REDUNDANCY, AND SOCIAL GRANTS. IT MUST BE FOR THE COAL BOARD AND THE NUM TO REACH AGREEMENT ON A RETURN TO WORK.

DAVID BARCLAY

20 AUGUST 1984