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MISC 101(84) 39th Meeting

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CABINET

MINISTERIAL GROUP ON COAL

MINUTES of a Meeting held at  
10 Downing Street on  
WEDNESDAY 12 SEPTEMBER 1984 at 5.00 pm

PRESENT

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 Nigel Lawson MP  
Chancellor of the Exchequer

The Rt Hon Peter Walker MP  
Secretary of State for Energy

The Rt Hon Norman Tebbit MP  
Secretary of State for Trade  
and Industry

The Rt Hon Tom King MP  
Secretary of State for Employment

The Rt Hon Nicholas Ridley MP  
Secretary of State for Transport

Sir Patrick Mayhew QC MP  
Solicitor General

Lord Trefgarne  
Parliamentary Under-Secretary of State  
for the Armed Forces

The Rt Hon Lord Gray of Contin  
Minister of State  
Scottish Office

SECRETARIAT

Mr P L Gregson  
Brigadier J A J Budd

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## 1. INDUSTRIAL ACTION IN THE COAL INDUSTRY

The Group received a number of oral reports.

THE SECRETARY OF STATE FOR ENERGY said that attendances at pits continued to improve. That day 45 pits were working normally, 9 were turning some coal - one of these should soon qualify for inclusion in the working normally category, 15 pits had men present and coal was likely to be turned in two of these shortly, and 103 pits remain strikebound. In the current week coal movement had so far been better than for the same period of the previous week. Movement of coal by road from Springhill Colliery to relieve overheating problems, was proceeding smoothly. In the previous week total coal stocks at Central Electricity Generating Board power stations had increased by some 13,000 tonnes.

The talks between the National Coal Board (NCB) and the National Union of Mineworkers (NUM) were continuing but the outlook remained unclear. Should the NUM table any proposals including a suggestion, made by Mr Orme, that disagreements over pit closures should be referred for decision to a panel consisting of two mining engineers and a lawyer, it might prove difficult, in publicity terms, to make a simple and convincing case for NCB rejection. Adoption of such a scheme would in effect remove management responsibility from the NCB whenever the NUM chose to contest a pit closure proposal, a situation which would be totally unacceptable. If the talks were to break down the NCB would probably decide to publish the full details of their current offers on the future of the industry, invite Mr Scargill to agree that the offer be put to a ballot of all his members and propose that NCB members should meet Trades Union Congress (TUC) General Council representatives to explain their offer in detail. There were some indications that NUM proposals made during the current talks showed a willingness to adopt a form of words acknowledging that economic factors had been taken into account in deciding on pit closures since the Plan for Coal was first adopted in 1974, but so far no acceptable form of words had been put forward by the NUM. It was possible that Mr Scargill would agree to a ballot on the NCB offer, which he would recommend for rejection as a face-saving move should the ballot go against him.

An uncertain situation had arisen in respect of the National Association of Colliery Overmen Deputies and Shotfirers (NACODS) some of whose members had been threatened with loss of pay if they failed to attend for work at those pits where only one or two NUM members had reported for work, even where this involved facing intimidatory picketing. Early in the dispute NACODS had voted 54 per cent - 46 per cent in favour of strike action - but had not taken action because their rules required a two-thirds majority before a strike could be called. He understood that, following a meeting that day, NACODS members were to be balloted again, but it was not yet clear what questions would be put on the ballot paper. The dangers of the new ballot resulting in a sufficient majority for a NACODS strike which might affect pits currently working were self evident and care would be needed to avoid action or comment that might encourage NACODS members to vote for strike action.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the British Steel Corporation (BSC) were maintaining planned production but following the resolution in support of the NUM, passed at the recent TUC, there would be a meeting of the TUC Steel Committee on 14 September which could result in a ballot, possibly in about three weeks time, of all union members in the steel industry. BSC had indicated to Mr Sirs that any voluntary reduction of steel production would be unacceptable and it was thought likely that he would recommend members of the Iron and Steel Trades Confederation to vote against any action in support of the NUM.

During discussion the following were the main points made -

- a. The NUM were thought likely to pursue their argument that the NCB's wish to reduce coal production had already been met by production lost during the strike and there was therefore no case for pit closures. This ignored the distinction between production and capacity. The important point missing from the NUM's argument was that under the NCB's proposals the desired reduction in output would be achieved by closing those pits whose production costs contributed most to current NCB financial losses, rather than by the method apparently favoured by the NUM of having a strike every year. Additionally the continuing existence and cost of high coal stocks at pitheads was a clear indication of the need to reduce output.

b. It might be worth making more, in publicity terms, of the inconsistencies over the years in the NUM attitudes towards acceptance of economic factors in deciding on pit closures and especially the change since Mr Scargill became President. It was significant that the 1977 Coal Industry Act made statutory provision for redundancy payments to those affected by the closure of uneconomic pits.

c. There were differing views about the relative advantages of any agreement that might be reached between the NCB and NUM being drafted in precise or imprecise terms. The most important requirement would be an agreement that would not in any way fetter the NCB in arranging for the closure, as and when necessary, of uneconomic pits.

THE PRIME MINISTER summing up the discussion, said that it would not be possible to decide the best course of action until after the NCB/NUM talks had broken down, or the terms of an agreement were known. Although Ministers should in general continue to maintain a low profile, consideration should be given to the options open to the NCB and Government in the light of the possible developments in the talks identified during discussion.

The Group -

Took note, with approval, of the Prime Minister's summing up of their discussion.

## 2. INDUSTRIAL ACTION IN THE DOCKS

The Group received a number of oral reports.

THE SECRETARY OF STATE FOR TRANSPORT said that there had been some encouraging developments, chief amongst which was the refusal of dockers at Grimsby and Immingham the previous evening to succumb to a high level union attempt by Messrs Todd, Connolly and Knapp to bring them out on strike. The vast majority had reported for work that day despite picketing which included a high proportion of dockers from Liverpool. That day also dockers at Goole had voted 3-1 to return to work and 75 per cent of them had already done so; attendances at Tilbury and Thames Riverside Wharves were about the same as the previous day, but two container ships had been discharged at Tilbury; attendances at Bristol were better than the previous day and had permitted 3 ships to be worked. At the beginning of the strike 80 per cent of registered dock workers (rdws) had been on strike - the current figure was 57 per cent. On the other hand Cardiff dockers had voted to stay on strike.

He understood that the Port of London Authority (PLA) had received legal advice that they would have a very strong case should they decide to seek an injunction under current employment legislation and that the PLA Board would consider this course of action at a meeting on 17 September.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the main supply difficulty being experienced by industry in general centred on imported timber held up in Liverpool docks. Overall some 65 per cent of import/export cargoes were reported to be moving without difficulty. However a number of organisations were beginning to experience severe financial problems which could provide grounds for legal action against the Transport and General Workers Union (TGWU). P&O would shortly be considering the despatch of a letter to their TGWU shop stewards warning them of the possibility of legal action and giving them a chance to persuade their members to resume working. It was thought such a letter would be helpful in providing a more easily understandable public justification for such legal action as might prove necessary. The difficulties being faced by Overseas Containers Limited (OCL) stemmed in part from a growing number of their containers being stranded on the continent.

He believed that a very good full page advertisement placed by BSC in local newspapers might well have influenced many Grimsby and Immingham dockers to stay at work. It was also noteworthy that TGWU Tugboat men, normally based at Swansea docks which were strikebound, had stayed away from their base so that they would remain available to assist the berthing of vessels at Port Talbot - the port of entry for supplies for both Port Talbot and Llanwern steelworks.

He understood that the Confederation of British Industries (CBI) had commissioned a survey of the effects of the dock strike on their members. He expected to receive a copy of the results early the following week and would then advise colleagues whether a CBI press conference, which was provisionally planned for the middle of next week, would be likely to prove helpful in maintaining or improving the current level of activity in the docks.

THE SECRETARY OF STATE FOR ENERGY said that Shell (UK) had drawn his attention to the possible effect on dockers on Teeside and perhaps elsewhere when plans for the closure of their Teeside oil refinery were announced. It was not expected that the closure would provoke industrial action in other refineries. He understood that if a closure announcement was not made within the next ten days it would be necessary to run the refinery at a continuing loss for a further six months. He would keep in close contact with Shell (UK) on the subject.

During discussion the following points were made.

- a. There had been no problems <sup>over loading</sup> ~~overloading~~ military equipment at Southampton on to ships which were due to sail the following day for Exercise ~~LIONHEART~~ <sup>LIONHEART</sup> and BOLD GANNET. The media had sought facilities to question Territorial Army personnel, who were striking miners, about their attitudes towards crossing picket lines at embarkation ports en route to the exercises. There could be no question of permitting such interviews once individuals had reported for duty and were subject to normal military discipline but it would be undesirable for any personnel who might be questioned by the media before that time to be wearing military uniform during such interviews as they would be speaking as private individuals.

b. Dockers at Aberdeen were still withholding full cooperation over the transport to the mainland of livestock from the Orkneys and Shetlands.

In agreeing to handle two P&O specialist vessels they had withdrawn their previous agreement to handle cattle transported by RO-RO ferries, with the result that insufficient shipping capacity would be available to carry out the task within the required time. P&O had contingency plans ready for the following week which would involve the use of the port at Wick and a long and uncomfortable overland journey for the livestock. It was thought that the Royal Society for the Prevention of Cruelty to Animals might be able to exert helpful pressure on Aberdeen dockers leaders to remove this threat to animal welfare.

THE PRIME MINISTER, summing up the discussion, said that Ministers would need to consider early the following week what effect the proposed CBI news conference and any proposed legal action might have on the progress of the dock strike. Meanwhile there was no requirement for Ministers to seek opportunities to comment publicly on the dock dispute.

The Group -

1. Took note with approval of the Prime Minister's summing up of their discussion.
2. Invited the Secretary of State for Trade and Industry to keep in touch with the Confederation of British Industries, over their intentions regarding a press conference to publicise the effects of the dock strike on their members, and with other organisations who may be considering legal action against the Transport and General Workers Union or other unions, with a view to reporting back to the Group early the following week.

Cabinet Office

13 September 1984