

PERSONAL AND CONFIDENTIAL

PRIME MINISTER

You probably noticed that Mr. Walker asked me to leave MISC 101 with him. He asked me to report to you one idea which he did not want to mention at the meeting.

He had just lunched with John Junor. Junor had told him that Hugh Scanlon, who claims to be worried that Scargill's activities will damage the whole trade union movement, had sent Scargill, Kinnock and Orme letters suggesting that pits with substantial reserves of coal, which after completion of the present consultative procedures are to be closed on economic grounds, be 'mothballed', rather than closed completely. Scanlon felt that this would answer Scargill's claim that coal reserves which might one day be valuable would be lost forever under the NCB's present proposals. Scanlon had not received any acknowledgement from Scargill, Kinnock or Orme.

Mr. Walker had asked Mr. MacGregor whether 'mothballing' was expensive. MacGregor's first reaction was that the cost of 'mothballing' was trivial, and that he would be glad to agree to 'mothballing' rather than permanent closure if this was a way of getting uneconomic pits closed. Mr. Walker had asked him to look into the idea in more detail, and simply wanted you to know of the suggestion.

This seems to me to fall into the category of compromises which could put a significant shackle on the NCB's freedom of management after the strike. I doubt also whether Scargill would accept it as a basis for a settlement, at least not until he is in extremis.

25 September 1984

F.R.B.

I think it would be a  
fundamental error.

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