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~~Mr~~ Mr Walker
Mr Davies
Mr Hyatt



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Prime Minister 2

Mr Howell seems, by and large, to have headed off further demands from the NUM.

PRIME MINISTER

I held another meeting of the Coal Industry Tripartite yesterday.

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We touched first on the commitments I had already given on the cost to the Board of withdrawing the accelerated closure programme and buying out imports. Ezra said that the Board calculated the cost of these as £100-200m, the figure agreed by E Committee last week. The unions did not press further on the figures. I mentioned briefly the oil substitution scheme announced in the Budget and the improvements in redundancy payments on which an order has now been laid before Parliament.

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The unions then asked about some of the other items on their Shopping List. I gave no commitment on any. I said that those directly concerning the NCB's finances could be covered in the discussions on the Board's general financial position which would now be necessary between the Board and the Government. There was no further discussion of the general position. The only item on the Shopping List which the NUM pressed at this meeting was Government support for the proposed liquefaction plant at Point of Ayr. On this Gormley argued that the Government could accept the principle of support in such a way as to involve minimum commitment for itself while encouraging others to participate. But I gave no commitment on this.

The union side accepted that there was no need for another meeting soon. But they made clear that they would like to have one on the outcome of the discussions on the Board's general financial position. I said that we would arrange another Tripartite when we had something to report on this subject. In terms of heading off future discussions arising from our two commitments of February 18 the outcome was therefore satisfactory, although the serious underlying problems of the NCB remain to be handled.

I am sending a copy of this minute to the other members of the Cabinet, and to Sir Robert Armstrong.

Secretary of State for Energy

JH

12 March 1981