



Ref. A084/913

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

BACKGROUND

The Lord President chaired two meetings of MISC 101 in your absence on Monday (MISC 101(84) 2nd Meeting) and Tuesday (MISC 101(84) 3rd Meeting). For the moment the position appears to have broadly stabilised following the weekend ballots and the police action to counter flying pickets. Most of the pits in those areas (mainly in the Midlands) which were against strike action are producing coal and delivering it to the power stations. Even with the troubles of last week it was apparently possible to deliver 670,000 tonnes of coal to the power stations (although 100,000 tonnes were from non-vested sources) and it is hoped to deliver at least as much this week. The problems are as follows:

- i. the moderates show no sign of being able to force an early meeting of the NUM National Executive Committee and secure a majority for a national ballot; no meeting is scheduled before 12 April;
- ii. the police action is costly and could at any time provoke an incident which the militants might usefully exploit;
- iii. although some coal is being delivered to power stations, endurance is being eroded (power station consumption at present is running at the rate of about 1.7 million tonnes a week; even at the height of the summer it does not fall below around 1.2 million tonnes);
- iv. the pickets have had some success in stopping work at odd pits in areas other than Nottinghamshire where there has been a vote against strike action and there is the possibility that they will over a period steadily reduce production and deliveries.

Although 44 pits worked normally on Monday, the number has since fallen below 40.



ISSUES

2. Against this background the following issues arise:
 - a. is there anything the Government can do to prevent the police activity from becoming a source of friction?
 - b. what should the NCB's attitude be to civil action in the courts?
 - c. when should the move to maximum oilburn begin?

Policing

3. One potential source of friction has been the cost of policing borne by the areas affected, principally Nottinghamshire where it was estimated early this week to be running at £½ million a day. This was dealt with at the two meetings of MISC 101 held by the Lord President in your absence. It was agreed that it would be a bad precedent, and undesirable presentationally in this instance, for the Government to meet more than the normal 50 per cent of police costs. It would however be most undesirable to make local authorities carry more than their normal 50 per cent share through the operation of grant holdback penalties. MISC 101 agreed that there should be a disregard from holdback related to the financial year 1983-84 for expenditure above a certain level incurred by a police authority in seeking help under the mutual aid arrangements (Section 14 of the Police Act 1964).

4. The Secretary of State for the Environment therefore wrote yesterday (20 March) to the Nottinghamshire County Council as follows:

"I am very conscious that Police presence needed in response to current industrial action in the coalfields means that the county council has to spend more above its 1983/84 expenditure target than it had planned, leading to additional grant holdback.

I accept that there is a good case for the Government to recognise this difficulty through some limited disregard under Section 8(4) of the Local Government Finance Act, 1982."



He will be meeting a deputation from the Council later this week, by which time he expects to be able to set out the detailed arrangements. The Scottish Office has agreed analogous arrangements with the Treasury but has not yet been approached by a local authority; extra police expenditure in Scotland so far amounts to only £52,000.

5. It seems inevitable that the police will have to maintain their current scale of effort for at least another week. They will however need to adopt no higher profile than is necessary (there are reports that they have become less conspicuous), while being ready to react promptly to any new offensive by the flying pickets.

Civil Action in the Courts

6. If further civil action in the courts (eg fines or sequestration) could be relied on to be effective in preventing flying pickets and intimidation, it would provide the opportunity for relaxing the police effort. At present however the judgment is that it would play into the hands of the militants and jeopardise such chances as there are of securing an early and favourable national ballot. This judgment is being kept under constant review by the NCB.

Oilburn

7. The CEGB still estimates endurance at around six months, but this assumes a build-up to maximum oilburn after four weeks which has not yet begun. Meanwhile they have made all possible preparations to start the build-up when required. The Secretary of State for Energy at present thinks that it would be undesirable to start increasing oilburn while there is still some chance that an early meeting of the NUM National Executive Committee could be forced but he will review the position after the weekend.

HANDLING

8. Unless some new and urgent issue has arisen before Cabinet, you will probably not wish to encourage a lengthy discussion and to have brief reports only from the Secretary of State for Energy and the Home Secretary.



CONCLUSIONS

9. You will probably wish to draw out any conclusions about the Government's general public stance, ie a continuation for the time being of the low profile, with emphasis on the police's responsibility for maintaining law and order and discreet rather than too overt reinforcements of the media pressure for an early meeting of the NUM National Executive Committee.

10. If any issues arise which require more detailed examination by Ministers before the weekend, you may wish to propose a meeting of MISC 101 on Friday under your or the Lord President's chairmanship. At present we know of no such issues.

21 March 1984

approved by ROBERT ARMSTRONG
and signed in his absence

Lindsay Wilkinson