

Ref. A084/1380

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

You will wish to ask for reports from:

- (i) the Secretary of State for Energy:
 - (a) on the number of pits and miners working;
 - (b) on likely initiatives by Mr Scargill, and developments in the NUM following tomorrow's meeting of its National Executive;
- (ii) the Home Secretary:
 - (a) on the law and order situation;
 - (b) on costs of policing in the current financial year;
- (iii) the Secretary of State for Scotland:
 - (a) on the situation at Ravenscraig;
 - (b) on the attitude of the Chief Constable of Strathclyde to stopping flying pickets before they have the opportunity to assemble in large numbers, and to seeking assistance from other police forces;
(in response to the enquiries at last Tuesday's meeting of MISC 101)
 - (c) on the Scottish TUC's day of action today;
- (iv) the Secretary of State for Trade and Industry:
 - (a) on Ravenscraig (to supplement the report from the Secretary of State for Scotland);
 - (b) on other problems affecting the British Steel Corporation and coal-burning industry;
- (v) the Secretary of State for Transport:
 - (a) on coal movements;
 - (b) on the prospect for industrial action by the rail unions over pay and productivity and the chances of Mr Scargill succeeding in getting more effective support for the miners by railwaymen.

Costs of policing

2. On costs of policing you will have seen the Home Secretary's **FLAGS A+B** letter to the Chief Secretary and the Secretary of State for the Environment of 8 May proposing:

- (i) that in addition to the normal 50 per cent specific grant there should be a special payment of 40 per cent of additional expenditure as a result of the miners' dispute above the product of a penny rate;
- (ii) that the payments made to police authorities supplying mutual aid should include not only the additional costs such as transport and overtime incurred in respect of the units sent as mutual aid, but also additional expenditure on overtime incurred in the police area of the forces supplying mutual aid;
- (iii) that there should be a simultaneous announcement by the Secretary of State for the Environment that any additional expenditure by local authorities arising from the miners' dispute should be disregarded for the purposes of grant holdback in 1984-85;
- (iv) that these announcements should be made by Parliamentary Answer tomorrow (Thursday).

Chief Secretary's response is at Flag C

3. We understand that Treasury and Department of the Environment officials are briefing their Ministers to resist these proposals on the grounds that they have unwelcome expenditure implications for central Government, could raise awkward precedents, and ought to be considered more fully rather than rushed through the Cabinet. We do not know whether their Ministers will accept this advice, in view of your view, expressed at the last meeting of Cabinet, that the problem of policing costs in 1984-85 should be dealt with promptly and sympathetically.

4. Whether or not the substance is agreed, the Cabinet may share the view expressed by the Lord President that it would be better not to make the announcement as early as tomorrow.

Policing in Scotland

5. We understand that the Secretary of State for Scotland is likely to say that the Chief Constable of Strathclyde is no less ready than Chief Constables in England and Wales to stop flying pickets from assembling when he considers that this would be justified. It has in fact been reported today that a coach has been stopped. On mutual aid he is likely to say that the Strathclyde Police is one of the largest forces in Britain (accounting for about half the total police in Scotland) and is at present confident that it will be able to handle the situation at Ravenscraig without outside help.

Water industry pay

6. It is no longer possible to contrast the miners' dispute over pay with the settlement reached in water as well as gas and electricity. You will have seen the press reports that the two-year deal (5.2 per cent on rates or 4.8 per cent on earnings in the first year, 4.3 per cent on rates or 4.1 per cent on earnings in the second year) has been rejected despite recommendations from the union negotiators. There is likely to be a resumption of negotiations on the basis of a one-year deal only. There is no suggestion at present that industrial action is a possibility.



ROBERT ARMSTRONG

9 May 1984