

Ref.A084/1550

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

Depending on developments, the matters which may be most important to discuss tomorrow are -

- i. the talks between the NCB and the NUM;
- ii. BR's negotiations with the rail unions and the prospects for industrial action;
- iii. the efforts by moderate miners in Nottinghamshire and Lancashire to seek redress in the courts.

NCB/NUM talks

2. It looks as if the NCB/NUM talks have founded on Mr Scargill's insistence that he will not discuss the closure of any exhausted pits. If however the efforts to get talks going continue, there may be cause for concern on two grounds. The first is that the NUM might use any talks not as the prelude to a serious negotiation but as a propaganda weapon. The fact that the talks had begun could be a useful means of preventing a collapse of support for the strike. For the war-weary the end might appear to be in sight, so that there was a reason for holding on longer. Alternatively if the NCB can be provoked into the appearance of intransigence or into clarifying its intentions about closures in a way which could be made to look provocative and threatening, this could be used to stimulate a hardening of attitudes. Even in presentational terms the talking phase is a potentially tricky one for the NCB.

3. The second and more important source of concern is about the substance of any serious negotiations, if and when they develop. It is vital that some Ministers at least (you, the Secretary of State for Energy and the Chancellor of the Exchequer) should know, and be content with, the NCB's negotiating game-plan, if they have one. The NCB must emerge with adequate freedom to close pits not just in the current year but during the remainder of this Parliament.

British Rail

4. The prospects for an agreement between BR and the rail unions this afternoon do not look good. The BR Chairman, Mr Reid, has used up the negotiating freedom he was given both on the size of the offer (4.9 per cent) and on a formula which would avoid confrontation over the issue of productivity, while not weakening BR's basic position. There may be some discussion as to whether Mr Reid should be encouraged to make further concessions in the interests of averting industrial action (ban on overtime and rest-day working) threatened from Wednesday 30 May. While the effect of such action on coal deliveries would be unwelcome, it should not be viewed out of proportion. Only about half the coal deliveries currently being achieved are by rail, although the proportion is higher in the case of deliveries to power stations. Moreover there is some chance that the response to call for industrial action among the Nottinghamshire railwaymen would be less than whole-hearted and that the limited industrial action planned would in any case reduce rather than stop altogether the number of coal trains. Any further increase in the BR pay offer and an undermining of their position on productivity could have more serious wider repercussions than next week's industrial action.

Action in the courts by NUM moderates

5. Lancashire miners have succeeded in securing an ex-parte injunction against their area executive on the 5-year suspension threat, but it remains to be seen how the case will eventually go. If the judgment in the case brought by Nottinghamshire miners against their area executive and the NUM national executive is known by the time the Cabinet meets, it would be useful to have a brief discussion of its implications.

Next meeting

6. The next meeting of MISC 101 is provisionally arranged for 4.30 pm on Wednesday 30 May.

23 May 1984

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SECRET

Re
Approved by
ROBERT ARMSTRONG
and signed in his absence.