CONFIDENTIAL

CC DP

HOME SECRETARY

QUEEN ANNE'S GATE LONDON SWIH 9AT

23 May 1984

NBPM
AT 24/5

Dear Peter.

MINERS' DISPUTE: POLICING COSTS

File on BLUP.

Thank you for your letter of 10 May.

Most of the points you raised have now been settled. The one to which I have not formally responded is in the third paragraph where you say that you will look to me to meet the cost of the extra grant from within my cash-limited programmes. As I made clear when we spoke, I am afraid I cannot agree to do this. The extra costs of policing the miners' dispute do not arise as a result of a policy initiative: they are an unavoidable increase in local authority expenditure, and we have recognised this by agreeing to make the special grant. I understand why you must explore the possibility of finding a compensating reduction in planned public expenditure (whether to the extent of the whole increase, or to the extent of the grant element), but have to say that I cannot possibly find savings from my cash-limited provision, most of which, of course, is for prisons. In the circumstances, it seems to me that the extra expenditure should be regarded as a charge against the Reserve.

I am copying this letter to the Prime Minister, other members of MISC 101, George Younger, Patrick Jenkin and Sir Robert Armstrong.

Yours ever,

Leon

The Rt Hon Peter Rees, QC., MP.

CONFIDENTIAL

Nat Ind: Coal Pt 9.