

SECRET

PRIME MINISTER

Coal Talks

By the time you get this note Mr. Walker may already have spoken to you at the House. He rang to say that the NCB and NUM have held discussions all day. Mr. MacGregor said the proposal to reduce capacity by 4 million tons had to be adhered to, but he could talk about the timescale for closures, particularly as the strike meant that no progress had been made on this for several months. In return for this, he sought the agreement of the NUM on a definition of uneconomic pits which would allow this reduction in capacity to take place. The rest of the day was spent discussing this, and "quite a lot of progress" was made. Somewhere between 8 and 9 p.m. they mutually decided to adjourn and to meet at 8 a.m. tomorrow. An agreed statement to the Press said merely that talks had continued throughout the day, and will resume in the near future. (It will not be specific about the time in order to maintain the secrecy of the talks.)

5 July, 1984.

SECRET