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PRIME MINISTER

Next round of NCB/NUM negotiations

These notes for your talk this afternoon are arranged under the following three headings:

- starting point for the negotiations;
- development of the negotiations;
- handling of a breakdown.

STARTING POINT

2. The main options for the starting point for the negotiations are:

- waiting for NUM counter proposal
what is this likely to be? Will it be the July text with deletion of the words "and which can be beneficially developed"?
- table again the NCB's July text
- try a new approach
this might be, eg:
 - give up the attempt at an agreed definition of exhaustion;
 - seek agreement on the need to get rid of X million tonnes of capacity over a stated period within the context of a revised Plan for Coal;
 - closures to go ahead in accordance with existing procedures.

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Assessment of the options

3. The main advantage of waiting for the NUM counter proposal is that it may put the onus on the NUM to negotiate constructively. The disadvantage is that if the NUM simply proposes the July text less the words "beneficially developed", it may be able to appear constructive, while simply ignoring the problem of loss-making pits. The NCB would then be faced with trying to negotiate extra words back into the text.

4. The main advantage of tabling the NCB's July text is that it corresponds with the NCB's stated public position. It also puts the NUM in the position of having to justify exclusion of the words "beneficially developed" or to substitute others which adequately acknowledge the need to close loss-making pits. The disadvantage is that using the July text as the starting point for negotiations may imply that the NCB is prepared to make further concessions of substance.

5. The main advantage of a new approach is that it could rescue both sides from an argument about words and formulae which is becoming sterile and unproductive. But there are major disadvantages:

- It gets the NCB out of prepared positions into open country; badly handled it could lead to a rout.
- If there is not to be a sell out to the NUM on closures, the agreement has to have something concrete in it; unless that concrete element is concerned with definitions and procedures, it has to be concerned with quantity and timetable; that approach would probably be even harder for the NUM to swallow.
- A change of approach by the NCB would be much harder to explain publicly and could easily be presented by the NUM as a wrecking move.

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6. This analysis suggests that it may well be best for the NCB to table again the July text, making it clear that any agreement has to deal with the problem of loss-making pits, but indicating a willingness to consider alternative forms of words which deal adequately with the problem.

DEVELOPMENT OF THE NEGOTIATIONS

7. The development of the negotiations might be considered under the following headings:

- the "beneficially developed" formula;
- other elements in the July text;
- issues other than closures, ie:
 - the pay offer;
 - additional demands by Scargill.

The "beneficially developed" formula

8. Does the NCB have available alternative forms of words which the NUM might be willing to swallow and which would provide an adequate basis for getting rid of loss-making capacity?

Other elements in the July text

9. There were two other main elements in the July text:

- an indication (Section 1) that closures might be re-phased to take account of the loss of output resulting from the dispute;
- a procedure (in Section 2) for the five "named pits".

10. Would it help (and be acceptable) to give more ground on either or both of these two points?

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Issues other than closures

11. Is it right to assume that, if the closures issues is settled, that will be the end of the dispute, ie that the pay offer for November 1983 will be accepted and that other demands made by Scargill in speeches at various times will be dropped? Is it also right to assume that concessions on any of these other issues would not make it easier to secure an acceptable arrangement on closures and that it would be tactically unwise to bring them into the discussion?

HANDLING OF A BREAKDOWN

12. Even more than on earlier occasions it will be vital to pin the blame for a breakdown on NUM intransigence. Public perception of this could have a crucial effect on endurance through the impact of the willingness of the GMBATU and the AUEW and their rank and file members to give effect to the TUC resolution. How does the NCB propose to ensure that the right message gets across to the media immediately and effectively?

PLG

P L GREGSON

4 September 1984

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UNCHECKED

Cool file

ARTHUR SCARGILL - INTERVIEW ON 'CANCELLED' NCB/NUM TALKS

Transcript from: BBC Radio 4, World at One, 4 August 1984

PRESENTER: ... but first in this programme let's see how the cancellation of the talks, whoever was to blame for it, became public and what were the reactions to it. The NUM president, Arthur Scargill, announced the cancellation in an interview with Vincent Hannah of BBC TV, and these are the reasons Mr Scargill gave:

SCARGILL: The only explanation for the cancellation of the talks is once again the direct intervention of Mrs Thatcher, or a deliberate piece of deception on the part of Mr Macgregor. We believe that not only mining families, but the TUC and the British people as a whole, will be appalled at the Coal Board's behaviour. The National Union of Mineworkers remain available to negotiate a settlement of this dispute in line with Plan for Coal as we have consistently outlined during our meetings with the Board.

INTERVIEWER : When the talks were set up what was the basis that you understood the negotiations to be taking place on, on what basis were they going to take place?

SCARGILL: The talks were set up as a result of an intervention by a third party, Mr Maxwell, and a telephone call was made to the general secretary of the NUM in front of 6 witnesses and Mr Heathfield acknowledged that the Coal Board wanted to set up a meeting, and that was confirmed. The Coal Board issued the invitation. The invitation was for a meeting on Wednesday. The same evening a telephone call was received cancelling the meeting on Wednesday because it was said that Mr Macgregor could not attend. The following morning another telephone call was received saying that the meeting may be on later in the week. And then the next thing that we heard was a public announcement by Mr Macgregor that talks had been arranged. And then, astonishingly, we heard his performance last night. And later, about half past twelve, Mr Heathfield telephoned me to ~~inform~~ inform me that the Coal Board had informed him before the television programme that in fact they had cancelled the negotiations. I think the TUC, who debated this issue yesterday and were of the opinion as a result of Mr Macgregor's television performance that negotiations were to take place, will see this as a direct act of duplicity on the part of the chairman of the National Coal Board.

INTERVIEWER : Some members of the General Council were saying yesterday, members of the General Council with whom you've been in touch, that there was good prospects for negotiations this time providing there were pre-conditions on both sides: that there were ways you could examine the negotiations so as to produce the prospect of a settlement. Now was that your understanding of the basis on which you were going into the talks, there were genuine hopes for moving the negotiations forward?

SCARGILL: We were convinced that the National Coal Board were coming forward with some change of policy and change of heart. And that was an intimation that we got certainly from the people who were mediating, and there's been a number of people mediating including Mr Maxwell and Mr Stan Orm - to whom I spoke yesterday afternoon and yesterday evening. But I want to make it clear that we informed the General Council at all stages of the negotiations what was taking place. And I can tell you that this morning the General Council representatives have also been informed and have expressed their disgust at what has taken place. In fact, the people who participated in the Newsnight programme last night were appalled at Mr Macgregor's ~~perfrx~~ performance which, they said, in their eyes clearly demonstrated that he was trying to sabotage the talks before they began. What we did not know at that time was that the Coal Board had already decided to cancel the talks and had informed Mr Heathfield accordingly.

INTERVIEWER : For the record and finally: you stand ready to speak to the Coal Board to negotiate without preconditions at any time?

SCARGILL: We remain available. As far as we are ~~cxxx~~ concerned the prospects for a solution are there. Already we had resolved two of the main problems. And I'm convinced that a settlement could have been achieved on the ~~max~~ basis of Plan for Coal. That's certainly Stanley Orm's view and the Labour Party's view and the TUC.

NR BUTLER

TRANSCRIPT OF BBC NEWS INTERVIEW WITH MR MACGREGOR: 4 SEPTEMBER 1984

INTERVIEWER: The Coal Board Chairman said he was after all still willing to meet the miners' union sometime this weekend. So why did Mr Scargill blame him for cancelling the talks?

MR MACGREGOR: That would be normal for Mr Scargill. That is absolute nonsense. As usual Mr Scargill lies in his teeth. Now as far as I am concerned I will meet Mr Scargill and any other member of the NUM who purports to represent the people and who is prepared to try to work out a long term secure future for this business with me.

INTERVIEWER: I am sure Mr Scargill would say he would welcome this.

MR MACGREGOR: All right, I am prepared to do it. Is he ready to meet me on Sunday?

INTERVIEWER: He is saying he is prepared to meet you later this week. I don't know about Sunday.

MR MACGREGOR: Well I tell you. I will meet him any day. I am prepared to meet him on Sunday. Sunday is the first day clear on the agenda for this when I can get hold of my colleagues together and I am sure if he has got something useful to add to this debate we will meet with him on Sunday.

INTERVIEWER: Mr Scargill says he will meet you on Sunday but he wants to raise on the agenda the question of uneconomic pits and their closure.

MR MACGREGOR: I think that will be fine. We are always prepared to talk about them and

INTERVIEWER: And what if he says he refuses to discuss that aspect?

MR MACGREGOR: Well, obviously there is nothing going to be done. There is no point in sitting there looking at each other.....

INTERVIEWER: [Unclear. Talking together]

MR MACGREGOR: well we have got to deal with this problem. It far transcends the mining industry. It is a matter for the total British population who subsidises all of these pits.

INTERVIEWER: So in a nutshell you are saying no talks unless Mr Scargill is prepared to talk about the closure of uneconomic pits?

MR MACGREGOR: I think that there is no reason for us not meeting if Mr Scargill has got any constructive suggestions to offer with regard to the future of this business.

Peter Walker interview with Robin Day, World at One, 4.9.84

Q. What is your reaction to the calling off of these talks

A. Well you know over this six months of the dispute I have had to listen and read millions of words of total fiction from Mr Scargill but none of those words of fiction have surpassed what he has come out with this morning. I might say I was in a meeting in my office at 11am or just after 11 when on the tapes came this incredible announcement. I was immediately phoned by No 10 who said did I know anything about the basis of this announcements, did I know what was going on. And so it came as a total surprise to the Coal Board and to the Government when Mr Scargill announced that the talk had been called off. Now to say that the Coal Board had called them off is a total lie and the statement from the Coal Board makes it clear that it is a total lie, and the Coal Board have been totally willing, and always willing to enter negotiations. As far as the reasons for this, I mean, as you quite rightly point out yourself, the idea that there is some phone call from Mr MacGregor to Mr Heathfield cancelling it before the television programme last night is totally untrue, and there has been no such telephone call from Mr MacGregor or any other coal board official cancelling the meeting. What has happened is that Mr Heathfield, left to consult, ~~has~~ decided, that presumably, for the purposes of Mr Scargill, doesn't want to get into any negotiations upon the fundamental point of issue in this dispute when he ^{has} used this incredible device of ~~creating~~ creating a great work of fiction as to the Coal Board calling it off.

Q. Hold on S of S. How can we get the talks going again because quite clearly that it was what a great many people at Brighton and in the country want.

A. Well of course. And the fact that the talks were going to take place were welcomed by Mr MacGregor, were welcomed by the Govt, were welcomed by the TUC and now Mr Scargill has invented a position of saying someone has called ~~them~~ it off.

Q. Have you or Mrs Thatcher had any part to play as alleged by Mr Scargill in the calling off of these talks.

A. Oh, the PM and myself have expressed our pleasure that the talks were going to take place, we were both very surprised when on the tapes this morning at 11.15 there appeared this announcement from Mr Heathfield.

Q. And you have no.. you were not involved in any way in the calling off...

A. The last I heard from Mr MacGregor, he was fixing the date and the time for the talks, and certainly there is no..there is every desire by the Government that the talks take place.

Q. And you heard earlier in the programme, from someone, Maxwell Basnett, ^{of Holt} saying the the Govt should not know stand aloof, but should do what it can to get the parties together.

A. ~~Mr Basnett~~ If I may so both Basnett and Maxwell had had a version that, er, but had not heard ~~that~~ the denial that the Coal Board had called off the talks. So there's no need for the Government to intervene, those talks could be fixed up later this week or early next week, its up to Mr Scragill to see whether or not he will attend them.

Q. Will you try do do anything to get them refixed up later this week

A. There is no need for me to do anything....No need (R Day).... no because the Coal Board have not called the talks off. The only need is for Mr Scargill to go to the talks that he told the TUC ^{1 day} that he was going to but he has decided not to go to them. And therefore if he is expressing horror at the Coal Board calling them off, obviously the version of Peter Heathfield must have been some dream he had.

Q. Finally Mr W can you tell us whether the PM intends to ask the Speaker to recall Parliament to deal with this matter as Mr Kinnock wants

A. The Prime Minister will off course ^{make a} reply to Mr Kinnock in the normal way and I am sure that that will be published

Thankyou.