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MISC 101(84) 40th Meeting

COPY NO 18

CABINET

MINISTERIAL GROUP ON COAL

MINUTES of a Meeting held at
10 Downing Street on
MONDAY 17 SEPTEMBER 1984 at 4.00 pm

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Leon Brittan QC MP
Secretary of State for the
Home Department

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

The Rt Hon Peter Walker MP
Secretary of State for Energy

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Norman Tebbit MP
Secretary of State for Trade
and Industry

The Rt Hon Tom King MP
Secretary of State for Employment

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

Sir Patrick Mayhew QC MP
Solicitor General

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson
Brigadier J A J Budd

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1. INDUSTRIAL ACTION IN THE COAL INDUSTRY

The Group received a number of oral reports.

THE SECRETARY OF STATE FOR ENERGY said that attendances in the coalfields were slightly up on the previous week but three working pits in Warwickshire were starting a week's holiday. Coal production the previous week had been good and coal movements at 830,000 tonnes, of which 600,000 tonnes went to power stations, were the best since the strike began. 209 coal trains had run the previous week but he was not, for obvious reasons, anxious to draw public attention to these achievements.

The talks between the National Coal Board (NCB) and National Union of Mineworkers (NUM) had been adjourned the previous Friday without agreement. Mr MacGregor had given a clear explanation of the issues involved at his press conference immediately after the talks. Since then there had been considerable comment in the media about the possible involvement of a third party. It should be made clear that the closure of uneconomic pits could not be a matter for arbitration by an outside party. The NCB's fundamental case was that this was a matter for managerial decision following proper consultation with all the parties concerned.

There had been a meeting earlier that day of representatives of unions in the electricity supply industry to discuss action they might take in pursuance of the recent Trades Union Congress (TUC) resolution to make the miners' strike more effective. After three hours of discussion the only outcome was an agreement to attend a further meeting with NUM representatives.

Mr MacGregor had that day held a meeting of all NCB area managers to discuss action designed to influence the forthcoming ballot by members of the National Association of Colliery Overmen, Deputies and Shotfirers (NACODS) away from strike action. He understood that a meeting between the NCB Industrial Relations Director (Mr Smith) and NACODS officials had reached an agreement over procedures to be followed in deciding whether it was necessary for NACODS members to attend pits where only a few miners had reported for work, but that the agreement had been repudiated by the President of NACODS

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on his return from holiday. The latter was reported to be saying that the NCB were refusing to talk to NACODS officials. This was not the case and it was possible that the NCB would need to extend a public invitation for NACODS officials to attend discussions in order to set the record straight.

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THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the survey carried out by the Confederation of British Industries, to which he had referred at the previous meeting, had revealed that the coal strike was damaging not only the mining industry itself and those whose livelihood depended on their commitments to supply the NCB, but also traders in the mining communities. A reduction in turnover was particularly noticeable in branches of chain grocery stores located in mining areas which were on strike. Sellers of consumer durables were disinclined to repossess goods on which payments were in arrears because they anticipated great difficulty in disposing of such goods elsewhere.

Steel production from the British Steel Corporation's five major steelworks had reached 229,000 tonnes the previous week - better than the 226,000 tonnes weekly average for the first quarter of the current year.

During discussion the following were the main points made -

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a. The Advisory, Conciliation and Arbitration Service (ACAS) had kept in touch with both the NCB and NUM throughout the dispute. Mr Lowry had explained publicly, as long ago as May, that it would not be possible for ACAS to become involved unless there was a willing commitment by both sides and ACAS itself judged that participation would be helpful. In view of press speculations that ACAS might be the "third party" referred to by Mr Scargill during the previous weekend it was for consideration whether Mr Lowry or some other senior ACAS official should explain again that the conditions for ACAS involvement were not yet fulfilled.

b. It was to be hoped that the NCB would soon have the opportunity to brief senior TUC officials on their recent negotiation with the NUM so that there would be no doubt as to the terms of the NCB's current offer, the reasons for them and the need for the members of

the NUM to be given an opportunity to ballot on the offer. The fact that the NCB had briefed the TUC should also prove helpful to those unions in the electricity supply industry who were disinclined to take action in support of Mr Scargill.

c. Any request from the TUC to see Government Ministers - or even the Prime Minister - would need to be granted, but it would have to be made clear that this involved no departure from the Government's policy of not intervening in the dispute.

d. The best way to gain better public understanding of the issue of the closure of uneconomic pits was to draw attention to the current level of public subsidy for the mining industry.

THE PRIME MINISTER, summing up the discussion, said that the NCB should be encouraged in their initiative in seeking to brief the TUC about the recent negotiations and their current offer. It was to be hoped that the TUC would apply some pressure on the NUM to achieve a ballot of NUM members that could be conducted secretly and without risk of intimidation. It was also to be hoped that the NCB would maintain their efforts to ensure a favourable outcome of the forthcoming ballot of NACODS members.

The Group -

Took note, with approval, of the Prime Minister's summing up of their discussion.

2. INDUSTRIAL ACTION IN THE DOCKS

The Group received a number of oral reports.

THE SECRETARY OF STATE FOR TRANSPORT said that there had been two meetings during the previous few days in connection with the dispute at Hunterston, which had precipitated the current national dock strike. Officials of the British Steel Corporation (BSC) had been present, but not involved, in the first meeting, following which the Opposition Transport Spokesman (Mr Prescott) had announced that an agreement had been reached between local officials of the Transport and General Workers Union (TGWU) and the Iron and Steel Trades Confederation (ISTC) as to the amounts of coal which they would allow to be transported to BSC Ravenscraig (to start at 18,000 tonnes and increase over 8 weeks to 22,500 tonnes per week). BSC management, at both local and national level, had always maintained that the levels of coal delivery to steel works should be decided only by BSC.

At the second meeting involving BSC, TGWU and the Clyde Port Authority, it was accepted that the agreement reached on 16 May this year should once again be implemented, and it was expected that the TGWU would now seek to call off the national dock strike because the original cause had been removed. A series of meetings were planned for the following day - culminating in a recalled TGWU National Docks Delegate Conference which had the power to end the strike.

Attendance at the docks that day had been in some places slightly worse than attendances the previous week but at one scheme port in North Wales and two (possibly three) in Scotland, dockers had resumed work in anticipation of an early end to the strike.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that, so far as the dock strike was concerned, the Confederation of British Industry (CBI) survey had indicated that the effects of the strike were being largely circumvented, but at a financial cost to many CBI members. There had been few problems over the distribution of raw materials, components and finished products. Overall the morale of industry remained good but there were concerns about maintaining credibility overseas over meeting delivery dates, if the dispute continued.

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He understood it was likely that a number of lawsuits, against the TGWU and port employers, to recover financial losses arising from breaches of contracts, might be instituted soon even if the strike was called off the following day. It seems likely that the initial action would be a letter couched in terms that would give the unions and port employers an opportunity to settle before formal proceedings were instituted.

THE PRIME MINISTER, summing up a brief discussion, said that the Government should not be seen to be encouraging or discouraging those who might seek to take legal action. It seemed unlikely that such action would provoke further strike action in the docks, once the current strike had been called off. The Group would review the position following the meeting of the National Docks Delegate Conference.

The Group -

Took note, with approval, of the Prime Minister's summing up of their discussion.

Cabinet Office

18 September 1984