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PRIME MINISTER

I attach the letter from Mr. MacGregor to NACODS.

The next moves appear to be that NACODS will take the letter to ACAS. ACAS will also be having talks tomorrow with the NUM and BACM. Then NACODS will resume talks with the NCB on Sunday morning.

The NCB have said to the Department of Energy that if NACODS will reach agreement on the attached letter, the will be seen as resolving the three matters on the ballot paper, and will thus dispose of the possibility of a strike by NACODS. They believe that NACODS make a distinction between the successful resolution of the three points of their ballot paper, and the question of actually establishing an advisory body: in other words, if they agree that this is a satisfactory response to their present demands, they would not ultimately insist on the establishment of an advisory body if that does not prove negotiable with the other two unions.

Whether NACODS will accept this letter as settling the third point of their ballot paper is anybody's guess. The impression of the NCB today was that, although Sampey and MacNestry would like to back Scargill - and I gather that on the news tonight MacNestry was making disparaging noises about what the NCB had offered - in general the NACODS Executive thought this letter a significant advance. But, of course, before NACODS meet the NCB again on Sunday morning, the NUM will have had a further chance to get at Sampey and MacNestry.

HE.R.B.

5 October, 1984.

TEXT OF LETTER READ OVER THE TELEPHONE BY MICHAEL REIDY

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Dear Mr MacNestry,

You asked for clarification of the note which the Board gave you this afternoon about a proposal to amend the colliery review procedure by the setting up of an independent advisory body.

The statutory duties of the Board preclude the establishment of any advisory body for closures which seems to make decisions binding on the Board.

However, we discussed the case of the advisory body whose decision will not be binding, where we mutually agreed on its composition and mutually agreed on the criteria on which it would be requested to report.

Were we mutually to agree to the constitution and terms of reference of such a body, we expressed the opinion that if the party had agreed to refer matters to such a body set up under paragraph 3 above, the Board would unquestionably give full weight to the findings (within the agreed criteria) of such a body in the Board's decisions on colliery closures.