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Prime Minister ^②

To note the contrast between this approach and the line Peter Walker was taking at Cabinet, where he wanted to do nothing that runs any risks with endeavour. But the objective is not merely to endure so these options need to be considered.

MR TURNBULL

AT
26/10

26 October 1984

COAL DISPUTE

We need to regain and retain the initiative on the miners strike rather than continue reacting to events.

Following the NACODS settlement, the NCB have been seen as conciliatory and Scargill has been left looking intransigent. The sequestration of the NUM funds is a further blow for the miners. We now need to retain this initiative.

On the negotiating side we must:

- a. Make no further concessions.
- b. Eliminate the idea that further NCB concessions are just around the corner (so as to stop any dithering in the drift back to work).
- c. Place more cards in our hand by upping the stakes and increasing the pressure (see later).
- yet d. Make it publicly clear that the NCB's door is always open for further talks with the NUM; but stress that it is Scargill's turn to start making the concessions that are needed if such talks are to be meaningful.

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Upping the Pressure

We should let at least a week go by to allow the NACODS issue to fade away, then up the stakes using some of the following:

- a. Regular publicity on the number of faces already lost, the number under threat, and to report step by step, their deteriorating condition.
- b. Close more faces with full publicity (with Eaton saying how desperately hard they have tried for a settlement and how regrettable this further loss of jobs is and how it is the result of NUM's total inflexibility).
- c. If there is no return to work by a certain date withdraw the promises about capital investment in the non-working areas.
- d. Withdraw assurances of no job losses for those that do not return, particularly in pits where faces are lost due to the strike.
- e. Produce a 5 year plan for coal as promised to NACODS. This could contain alternative scenarios based upon how the strike ends, on costs of coal and the ability of coal to compete with other fuels. There could be three or four options showing various difficult futures for demand. The good employment impact of increased productivity and lower prices should also be shown. No specific closures should be identified but the general problem of a high cost industry explained.

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- f. Start the NACODS consultation procedure for a slowly accumulating number of pit closures in strike areas. An explicit factor in this should be the cost of keeping them open whilst the strike continues and the likelihood of deterioration whilst they are not being worked. Scargill should be invited although he will not attend.

We should also use this as an opportunity to show just how bad the financial case is for specific uneconomic pits.

- g. Withdrawal of the existing 1983/84 wage offer for those not working after a certain date, and an 1984/85 pay offer for those that are. (Of course this position would not be sustainable once the strike has ended).
- h. Take steps to link up gas supplies to one or two power stations.
- i. Increase the price that the CEGB pay to private generators in line with their current marginal cost to encourage them to supply more electricity to the national grid. This is already being done in part.

Pressure from this list will:

- a. Show the Government/NCB is doing something.
- b. Encourage an increasing drift back to work.
- c. Give us more to negotiate with Scargill if this becomes necessary.

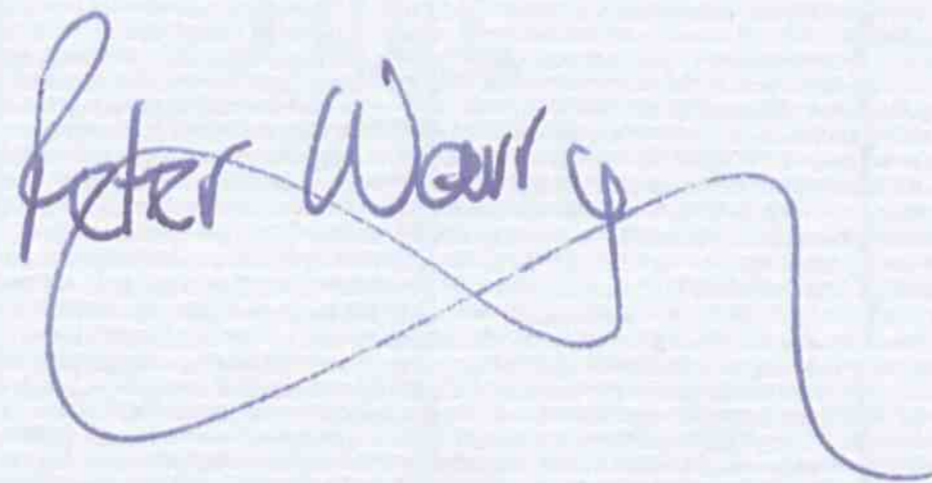
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These options should only be released gradually, initially as threats then later as decisions. Always more in sorrow than anger and pointing out that just as Scargill cannot wish the courts away equally he cannot pretend financial reality away. Each decision must be presented as Scargill's decision - the result of the NUM continuing to stay out and its failure to make any concessions whatsoever.

If the strike ends by agreement the right time to implement pit closures will be three to six months later: sufficient time for men to be back in the habit of working but not to have forgotten the hardships of striking, and sufficient time for them to be making headway into their accumulated debts but not to have cleared them. To have any chance of meeting this timetable we will need to start operating the NACODS pit closure procedure now. (Announcement of the results during the winter period would obviously have to take account of the coal stocks then available).

Closures were the point and the beginning of the strike, they are necessary, and when the strike ends we must be in a position to implement them.

A handwritten signature in blue ink that reads "Peter Warry". The signature is stylized with a large, sweeping flourish that loops back under the name.

PETER WARRY

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