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Mr Gregson (c.o).

NOTE OF A MEETING TO DISCUSS THE COAL DISPUTE HELD AT
10 DOWNING STREET ON 26 NOVEMBER 1984

The Secretaries of State for Energy and Employment stayed behind after MISC 101 to discuss with the Prime Minister approaches which had been made by the TUC in connection with the coal dispute. Mr. Walker said he had been contacted by Robert Maxwell on Saturday who wished to arrange a meeting with Mr. Basnett and Mr. Buckton. Mr. Walker had said he was prepared to see TUC representatives, either publicly or privately, but he did not want such talks arranged by a newspaper proprietor. Subsequently, Mr. Basnett had contacted him directly and a meeting had taken place at Mr. Walker's house with Mr. Basnett and Mr. Buckton on Sunday evening.

Mr. Basnett and Mr. Buckton sought advice on what propositions they could put to Government as a basis for further talks. Mr. Walker said that the NCB had reached an agreement with NACODS on the central issues of the dispute and there could be no advance in substance; there was scope, however, for explanation and clarification, eg on the nature of the Review Body. Mr. Basnett and Mr. Buckton said the NUM would find it difficult to accept an agreement reached with what it considered to be a lesser union.

Mr. Basnett had proposed a return to work while talks were undertaken to produce a new Plan for Coal. A date would be set for the completion of this work. Their objective was to put to the NUM a "reasonable" proposal; if it did not accept the TUC would see itself as having discharged its obligations and would feel free to withdraw its support. They believed that the moderate members of the NUM Executive would accept a TUC proposal.

Mr. Walker had pointed out that the Board had offered, as far back as 6 March, to update the prospects for the coal industry. But it was difficult to conduct such discussions while the NUM insisted on no closure of uneconomic pits. This

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would prevent a reduction in NCB costs and deny the coal industry any opportunity to increase its markets. Furthermore, the Government could not accept a moratorium on closures while its discussions were going on.

Mr. Walker said that Mr. Basnett and Mr. Buckton were clearly upset at the violence in the coal fields and the way in which this was being reflected on to the trade union movement. They were anxious to find some way of getting off the hook. They realised that the proposals they had brought to the meeting would not be acceptable to Government and agreed to go away and think further.

Mr. Walker said the TUC were likely to return in the next couple of days with a proposal for a meeting with either him or the Prime Minister. The difficulty was that they might emerge with an apparently reasonable proposal upon which the TUC and Labour Party could unite and which might look attractive to the public. Recently, the Government had held the high ground both on the main issues of the dispute and on the question of violence. A clumsy rebuff to the TUC's offer could, however, put the Government on the defensive.

In discussion, it was agreed that the Government should see the TUC if they made a request, but that did not mean that the Government had to concede any of the principles upon which it had been standing. The Prime Minister believed the Government and NCB had a strong case and would not easily be shifted from ~~its~~^{their} position of advantage. Nevertheless care was needed in developing a reponse to the TUC. Mr. Walker said the main danger to the Government was if the talks were handled badly and the TUC, in anger, managed to stir up support amongst tanker drivers.

It was agreed that the Government should not accept the premise that "negotiations must be got going again." The TUC should be told:

- (i) there was no point in talks unless the NUM were prepared to drop its insistence on no closure of uneconomic pits. There could be no advance in substance on the NACODS agreement.
- (ii) There could be further talks on the future of the coal industry when the strike was over but only if the NUM were prepared to accept closure of uneconomic pits.
- (iii) That the best chance for progress in the dispute was if the TUC insisted that the NUM
 - end the violence
 - abide by the TUC guidelines on picketing
 - ballot its members.

The TUC should be asked whether they spoke with authority to deliver the NUM.

Mr. Walker agreed to report back if he received any further approach from the TUC.

Other points raised were:

- (i) Mr. Walker said it was important to nail the argument that because 75 million tonnes of production had been lost during the dispute there was no longer a need to close capacity of 4 million tonnes. The counter was that there ~~were~~ still 37 million tonnes in stock and that it was still necessary to meet future demands from economic capacity.
- (ii) Mr. King reported that the Bishops had contacted Mr. Lowry who had been discouraging about the prospects for future talks, though this had not prevented the Bishops from pursuing the ACAS avenue.

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27 November 1984

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