

ZZ WASHINGTON
GRS 1700

CONFIDENTIAL
FM CABINET OFFICE 201500Z FEB 85
TO FLASH WASHINGTON
TELEGRAM NUMBER MISC 079 OF 20 FEBRUARY

TO MR BUTLER
FROM MR TURNBULL

ATTACHED IS REVISED NCB DOCUMENT AND THE TEXT OF CHAIRMAN'S
COVERING LETTER TO THE GENERAL SECRETARY OF THE T.U.C.

BY HAND
IAN MACGREGOR ESQ
CHAIRMAN
NATIONAL COAL BOARD
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1

20 FEBRUARY 1985

DEAR SIR

I ENCLOSE THE DRAFT LETTER AND REVISED STATEMENT AS WE AGREED
TOGETHER THIS MORNING. I HAVE COMMUNICATED THESE DRAFTS TO THE
PRIME MINISTER WHO AGREES THAT THIS IS THE CORRECT RESPONSE TO
THE TUC FOLLOWING THE MEETING THAT TOOK PLACE AT DOWNING STREET
YESTERDAY, AND FURTHER CONFIRMS THAT IT IS CORRECT THAT THE
GOVERNMENT AND THE COAL BOARD MAKE IT CLEAR THAT THIS
CLARIFICATION OF YOUR ORIGINAL DOCUMENT CONSTITUTES THE FINAL
WORDING THAT WILL BE OFFERED.

I PRESUME YOU WILL HAVE THIS DELIVERED TO NORMAN WILLIS BETWEEN
2.00 AND 2.30 PM IN ORDER THAT HE CAN PRESENT IT TO THE NATIONAL
EXECUTIVE OF THE NUM WHOSE MEETING IS DUE TO START AT 2.30 PM.
PETER WALKER

DRAFT LETTER

THE SECRETARY OF STATE FOR ENERGY REPORTED TO ME THE POINTS THAT
YOU MADE IN THE TALKS AT NO 10 DOWNING STREET WITH THE PRIME
MINISTER.

THE SECRETARY OF STATE CONFIRMED THAT IT WAS THE VIEW OF THE
TUC THAT THE DOCUMENT THAT WE HAD PREPARED SUBSEQUENT TO
DISCUSSIONS WITH YOU WAS A DOCUMENT THAT, IF AGREED TO, WOULD FOR
ALL OF THE MATTERS DEALT WITH IN THIS DOCUMENT BE THE FINAL
AGREEMENT, AND WAS IN NO WAY A DOCUMENT WHICH WOULD BE AN AGENDA
OR FORM THE BASIS OF ANY FURTHER NEGOTIATIONS.

WE HEARD ALSO THAT THE TUC CONFIRMED THAT THE EXECUTIVE OF THE
NUM HAD ACCEPTED THE BOARD'S DUTY TO MANAGE THE INDUSTRY
EFFICIENTLY; HAD CONFIRMED ITS ACCEPTANCE OF A MODIFIED COLLIERY
REVIEW PROCEDURE; AND HAD ACCEPTED THAT THE BOARD WOULD TAKE THE
FINAL DECISION ON CLOSURES AFTER COMPLETION OF ALL THE REVIEW
PROCEDURES.

THE SECRETARY OF STATE REPORTED TO US THAT YOU FELT THAT OUR
REQUIREMENT IN PARAGRAPH 5 THAT EXISTING PROCEDURES SHOULD APPLY
UNTIL A MODIFIED PROCEDURE WAS AGREED WAS IN SOME WAY A REJECTION
OF THE AGREEMENT WE HAD REACHED WITH NACODS. WE IN NO WAY INTEND
TO REJECT THE NACODS AGREEMENT, AND INDEED WE CONFIRM THAT IT
IS OUR OBJECTIVE TO PUT SWIFTLY INTO OPERATION THE NACODS PROCEDURE.
HOWEVER, AS I GATHER THE PRIME MINISTER AND THE SECRETARY OF
STATE EXPLAINED, THE BOARD COULD NOT ACCEPT A SITUATION WHERE
IF, FOR EXAMPLE, THE NUM REFUSED TO AGREE TO THE DETAIL OF THE
INDEPENDENT BODY, NO REVIEW PROCEDURES WOULD EXIST. THIS MIGHT,
IN EFFECT, RESULT IN THE NUM FRUSTRATING ANY REASONABLE PLANS
FOR CLOSURE. IN ORDER TO CLARIFY OUR OBJECTIVE, WE HAVE REVISED
THE WORDING OF THIS PROVISION SO THAT IT EXPRESSES OUR AIM OF
SEEING THAT THE MODIFIED PROCEDURES ARE IN PLACE BY THE TIME
THEY ARE NEEDED AND THAT EXISTING PROCEDURES WOULD CONTINUE TO
APPLY IN THE EVENT OF FAILURE TO REACH AGREEMENT.

HE ALSO REPORTED THAT YOU WERE CONCERNED THAT CLAUSE 6 OF OUR
PROPOSALS MIGHT BE TAKEN TO IMPLY THAT WE HAD IN MIND CLOSING
COLLIERIES WITHOUT THE UNIONS HAVING HAD THE OPPORTUNITY TO
REFER A CASE TO THE INDEPENDENT REVIEW BODY TO BE SET UP UNDER
THE MODIFIED PROCEDURES. WE HAVE THEREFORE RE-ORDERED THIS PART OF
THE DOCUMENT IN ORDER TO MAKE CLEAR THAT THIS HAS NEVER BEEN
OUR INTENTION.

WE HOPE THEREFORE THAT THIS CLARIFICATION OF OUR ORIGINAL DOCUMENT WILL MEET FULLY THE DOUBTS WHICH YOU EXPRESSED AT THE MEETING WITH THE PRIME MINISTER. HAVING GIVEN CAREFUL CONSIDERATION TO YOUR VIEWS, I WISH TO MAKE IT CLEAR THAT THIS MUST NOW CONSTITUTE OUR FINAL WORDING. WE HOPE THAT THE NUM EXECUTIVE WILL ACCEPT THIS AS A MEANS OF ENDING THE PRESENT DAMAGING DISPUTE AND ALLOWING ALL SIDES OF THE INDUSTRY TO CONCENTRATE THEIR ATTENTION ON THE FUTURE SUCCESS OF THE INDUSTRY.

1. IT IS OF CRUCIAL IMPORTANCE FOR THE PARTIES CONCERNED IN THE CURRENT DISPUTE TO CONCENTRATE ATTENTION ON THE FUTURE SUCCESS OF THE INDUSTRY AND IN SO DOING TO COMMIT THEMSELVES TO RECONCILIATION AND RESTORATION OF RELATIONSHIPS.
2. THE NUM RECOGNISE THAT IT IS THE DUTY OF THE NCB TO MANAGE THE INDUSTRY EFFICIENTLY AND TO SECURE SOUND DEVELOPMENTS IN ACCORDANCE WITH THEIR RESPONSIBILITIES AND THE NCB RECOGNISE THAT THE NUM REPRESENTS AND ADVANCES THE INTERESTS OF ITS MEMBERS AND THEIR EMPLOYMENT OPPORTUNITIES. IN THIS REGARD THE NCB IS FIRMLY OF THE VIEW THAT THE INTERESTS OF ALL OF ITS EMPLOYEES ARE BEST SERVED BY THE DEVELOPMENT OF AN ECONOMICALLY SOUND INDUSTRY.
3. THE PARTIES UNDERTAKE THAT IMMEDIATELY UPON A RETURN TO NORMAL WORKING, DISCUSSIONS WILL COMMENCE UPON THE REVISION OF THE PLAN FOR COAL, SUCH REVISION TO BE COMPLETED WITHIN 6 MONTHS. IN ORDER THAT THIS PROGRAMME, WHICH IS OF VITAL IMPORTANCE TO THE INDUSTRY, THE MINING COMMUNITIES AND THE COUNTRY, IS CARRIED THROUGH WITH THE UTMOST EFFECTIVENESS THE PARTIES SPECIFICALLY AND MUTUALLY COMMIT THEMSELVES TO GIVING MAXIMUM PRIORITY TO THIS PERIOD OF CONCILIATION AND RECONSTRUCTION AND PROVIDING THE NECESSARY RESOURCES. THE TUC UNDERTAKE TO PROVIDE ASSISTANCE IF CALLED ON BY EITHER THE NUM OR THE NCB. THE ISSUES THAT COULD BE INCLUDED IN DISCUSSIONS ARE ATTACHED AS AN ANNEX. NOTHING IN THIS PARAGRAPH WILL PREVENT ANY PARTY FROM REFERRING COLLIERIES TO THE REVIEW PROCEDURE.
4. THE PARTIES ACCEPT THAT IT IS OF VALUE TO OUTLINE, AT THIS STAGE, THE PROCEDURES THAT FLOW FROM A COMMITMENT TO MODIFY THE COLLIERY REVIEW PROCEDURE.
5. THE EXISTING COLLIERY REVIEW PROCEDURE THAT HAS BEEN OPERATED BY BOTH PARTIES FOR MANY YEARS HAS THE OBJECTIVE OF PERIODICALLY REVIEWING AT COLLIERY AND AREA LEVEL PERFORMANCE AND FUTURE INVESTMENT OPPORTUNITIES OF PITS WITH REPRESENTATIVES OF UNIONS. THE PARTIES ACCEPT THE NEED TO MODIFY THE PROCEDURE. AFTER A RETURN TO NORMAL WORKING THERE WILL BE URGENT TALKS ABOUT THE EARLY ESTABLISHMENT OF A MODIFIED PROCEDURE AND ABOUT THE CONSTITUTION, MEMBERSHIP AND ROLE OF THE INDEPENDENT REVIEW BODY WHICH IS TO BE INCORPORATED INTO THE PROCEDURE. UNTIL THEN, EXISTING PROCEDURES WILL CONTINUE TO APPLY TO CLOSURE PROPOSALS WHICH ARE NOT DISPUTED. IN THE CASE OF A DISPUTED CLOSURE PROPOSAL, AS UNDER THE PROCEDURES THAT WILL BE OPERATING IN CONNECTION WITH ANY SUCH PROPOSED CLOSURE, IT WILL TAKE MORE THAN THREE MONTHS BEFORE THE POINT IS REACHED WHERE THERE IS A NEED FOR EITHER PARTY TO MAKE A REFERENCE TO THE INDEPENDENT REVIEW BODY, ALL PARTIES WILL ENDEAVOUR TO REACH AN AGREEMENT UPON THE DETAILS OF ITS ESTABLISHMENT BEFORE THE FIRST OF JUNE 1985. IN THE EVENT OF A FAILURE TO REACH AGREEMENT ON THE INDEPENDENT REVIEW BODY BY THAT DATE THE EXISTING PROCEDURES WILL CONTINUE TO APPLY UNTIL AGREEMENT IS REACHED.
6. UNDER THE MODIFIED COLLIERY REVIEW PROCEDURE THE INDEPENDENT BODY WILL CONSTITUTE A FURTHER CONSULTATIVE STAGE AFTER THE NATIONAL APPEAL STAGE TO CONSIDER REFERENCE FROM ANY OF THE PARTIES TO THE PROCEDURE WHERE AGREEMENT IS NOT REACHED IN THE USUAL STEPS AT COLLIERY AND AREA LEVEL. ALL PARTIES ARE COMMITTED TO GIVE FULL WEIGHT TO THE VIEW OF THE PROPOSED INDEPENDENT REVIEW BODY.
7. PROPOSALS ABOUT THE FUTURE OF PITS WILL THEN BE DEALT WITH THROUGH THE MODIFIED COLLIERY REVIEW PROCEDURE. IN ACCORDANCE WITH PAST PRACTICES, THOSE PITS WHICH ARE EXHAUSTED OR FACING SEVERE GEOLOGICAL DIFFICULTIES WILL BE CLOSED BY JOINT AGREEMENT. IN THE CASE OF A COLLIERY WHERE THERE ARE NO FURTHER RESERVES WHICH CAN BE DEVELOPED TO PROVIDE THE BOARD, IN LINE WITH THEIR RESPONSIBILITIES, WITH A SATISFACTORY BASIS FOR CONTINUING OPERATIONS SUCH A COLLIERY WILL IF REQUESTED BY EITHER PARTY BE REVIEWED UNDER THE MODIFIED COLLIERY REVIEW PROCEDURE BEFORE THE BOARD TAKES ITS DECISION AS TO WHETHER OR NOT TO CLOSE THE COLLIERY.
8. AT THE END OF THIS PROCEDURE THE BOARD WILL MAKE ITS FINAL DECISION. THE PARTIES ACCEPT THIS IS NOT INTENDED TO CONSTITUTE A NON-STRIKE AGREEMENT.

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JME

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10 DOWNING STREET

From the Private Secretary

20 February, 1985

COAL DISPUTE: MEETING WITH TUC

I attach a record of the meeting held at 10 Downing Street yesterday.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), David Normington (Department of Employment) and to Peter Gregson (Cabinet Office).

(Andrew Turnbull)

M. Reidy, Esq.,
Department of Energy

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1. It is of crucial importance for the parties concerned in the current dispute to concentrate attention on the future success of the industry and in so doing to commit themselves to reconciliation and restoration of relationships.
2. The NUM recognise that it is the duty of the NCB to manage the industry efficiently and to secure sound developments in accordance with their responsibilities and the NCB recognise that the NUM represents and advances the interests of its members and their employment opportunities. In this regard the NCB is firmly of the view that the interests of all of its employees are best served by the development of an economically sound industry.
3. The parties undertake that immediately upon a return to normal working, discussions will commence upon the revision of the Plan for Coal, such revision to be completed within 6 months. In order that this programme, which is of vital importance to the industry, the mining communities and the country, is carried through with the utmost effectiveness the parties specifically and mutually commit themselves to giving maximum priority to this period of conciliation and reconstruction and providing the necessary resources. The TUC undertake to provide assistance if called on by either the NUM or the NCB. The issues that could be included in discussions are attached as an annex. Nothing in this paragraph will prevent any party from referring collieries to the Review Procedure.
4. The parties accept that it is of value to outline, at this stage, the procedures that flow from a commitment to modify the Colliery Review Procedure.

5. The existing Colliery Review Procedure that has been operated by both parties for many years has the objective of periodically reviewing at colliery and Area level performance and future investment opportunities of pits with representatives of unions. The parties accept the need to modify the procedure. After a return to normal working there will be urgent talks about the early establishment of a modified procedure and about the constitution, membership and role of the independent review body which is to be incorporated into the Procedure. Until then, existing procedures will continue to apply to closure proposals which are not disputed. In the case of a disputed closure proposal, as under the procedures that will be operating in connection with any such proposed closure, it will take more than three months before the point was reached where there was a need for either party to make a reference to the independent review body. All parties will endeavour to reach an agreement upon the details of its establishment before the first of June 1985. In the event of a failure to reach agreement on the independent review body by that date the existing procedures will continue to apply until agreement is reached.

6. Under the modified Colliery Review Procedure the independent body will constitute a further consultative stage after the national appeal stage to consider reference from any of the parties to the Procedure where agreement is not reached in the usual steps at colliery and Area level. All parties are committed to give full weight to the view of the proposed independent review body.

7. Proposals about the future of pits will then be dealt with through the modified Colliery Review Procedure. In accordance with past practices, those pits which are exhausted or facing severe geological difficulties will be closed by joint agreement. In the case of a colliery where there are no further reserves which can be developed to provide the Board, in line with their responsibilities, with a satisfactory basis for continuing operations such a colliery will if requested by either party be reviewed under the Modified Colliery Review Procedure before the Board takes its decision as to whether or not to close the colliery.

8. At the end of this procedure the Board will make its final decision. The parties accept this is not intended to constitute a non-strike agreement.

AS AGREED WITH CHAIRMAN AT
1100 ON 20 FEBRUARY 1985

DRAFT LETTER FROM THE CHAIRMAN TO THE TUC GENERAL SECRETARY

The Secretary of State for Energy reported to me the points that you made in the talks at No. 10 Downing Street with the Prime Minister.

The Secretary of State confirmed that it was the view of the TUC that the document that we had prepared subsequent to discussions with you was a document that, if agreed to, would for all of the matters dealt with in this document be the final agreement, and it was in no way a document which would be an agenda or form the basis of any further negotiations.

We heard also that the TUC confirmed that the Executive of the NUM had accepted the Board's duty to manage the industry efficiently; had confirmed its acceptance of a modified colliery review procedure; and had accepted that the Board would take the final decision on closures after completion of all the review procedures.

The Secretary of State reported to us that you felt that our requirement in paragraph 5 - that existing procedures should apply until a modified procedure was agreed - was in some way a rejection of the agreement we had reached with NACODS. We in no way intend to reject the NACODS agreement; indeed we confirm that it is our objective to put swiftly into operation the NACODS procedure. However, as I gather the Prime Minister and the Secretary of State explained, the Board could not accept a situation where if, for example, the NUM refused to agree to the detail of the independent body, no

/review

review procedures would exist. This might, in effect, result in the NUM frustrating any reasonable plans for closure. In order to clarify our objective, we have revised the wording of this provision so that it expresses our aim of seeing that the modified procedures are in place by the time they are needed and that existing procedures would continue to apply in the event of failure to reach agreement.

He also reported that you were concerned that Clause 6 of our proposals might be taken to imply that we had in mind closing collieries without the unions having had the opportunity to refer a case to the independent review body to be set up under the modified procedures. We have therefore re-ordered this part of the document in order to make clear that this has never been our intention.

We hope therefore that this clarification of our original document will meet fully the doubts which you expressed at the meeting with the Prime Minister. Having given careful consideration to your views, I wish to make it clear that this must now constitute our final wording. We hope that the NUM Executive will accept this as a means of ending the present damaging dispute and allowing all sides of the industry to concentrate their attention on the future success of the industry.

DRAFT LETTER

The Secretary of State for Energy reported to me the points that you made in the talks at No 10 Downing Street with the Prime Minister.

The Secretary of State confirmed that it was the view of the TUC that the document that we had prepared subsequent to discussions with you was a document that, if agreed to, would for all of the matters dealt with in this document be the final agreement, and ~~it~~ was in no way a document which would be an agenda or form the basis of any further negotiations.

We ^{heard} ~~note~~ also that the TUC confirmed that the ~~NUM~~ Executive of the NUM had accepted the Board's duty to manage the industry efficiently; had confirmed its acceptance of a modified colliery review procedure; and had accepted that the Board would take the final decision after completion of all the review procedures.

The Secretary of State reported to us that you felt that our requirement in paragraph 5-that existing procedures should apply until a modified procedure was agreed-was in some way a rejection of the agreement we had reached with NACODS. We in no way intend to reject the NACODS agreement; ~~and~~ indeed we confirm that it is our objective to put swiftly into operation the NACODS procedure. However, as I gather the Prime Minister and the Secretary of State explained, the Board could not accept a situation where if, for example, the NUM refused to agree to the detail of the independent body, no review procedures would exist, ^{the result} ~~which would~~, in effect, enable ^{ing} the NUM to prevent any closures. In order to express our objective more clearly, we have revised the wording of this provision so that it expresses our aim of seeing that the modified procedures are in place by the time they are needed after the return to work and that existing procedures would continue to apply in the event of

failure to reach agreement.

He also reported that you were concerned that Clause 6 of our proposals might be taken to imply that we had in mind closing collieries without the unions having had the opportunity to refer a case to the independent review body to be set up under the modified procedures. We have therefore re-ordered this part of the document in order to make clear that this has never been our intention.

We hope therefore that this redrafting will clarify our original document and will meet fully the doubts which you expressed at the meeting with the Prime Minister. Having given careful consideration to your views, I wish to make it clear that this must now constitute our final wording. We hope that the NUM executive will accept this as a means of ending the present damaging dispute and allowing all sides of the industry to concentrate their attention on the future success of the industry.

1. It is of crucial importance for the parties concerned in the current dispute to concentrate attention on the future success of the industry and in so doing to commit themselves to reconciliation and restoration of relationships.
2. The NUM recognise that it is the duty of the NCB to manage the industry efficiently and to secure sound developments in accordance with their responsibilities and the NCB recognise that the NUM represents and advances the interests of its members and their employment opportunities. In this regard the NCB is firmly of the view that the interests of its employees are best served by the development of an economically sound industry.
3. The parties undertake that immediately upon a return to normal working, discussions will commence upon the revision of the Plan for Coal, such revision to be completed within 6 months. In order that this programme, which is of vital importance to the industry, the mining communities and the country, is carried through with the utmost effectiveness the parties specifically and mutually commit themselves to giving maximum priority to this period of conciliation and reconstruction and providing the necessary resources. The TUC undertake to provide assistance if called on by either the NUM or the NCB. The issues that could be included in discussions are attached as an annex. Nothing in this paragraph will prevent any party from referring collieries to the Review Procedure.
4. The parties accept that it is of value to outline, at this stage, the procedures that flow from a commitment to modify the Colliery Review Procedure.

[5.]

The existing Colliery Review Procedure has the objective of periodically reviewing at colliery and Area level the performance and future investment opportunities of pits with representatives of unions. The parties accept the need to modify the Procedure. After a return to normal working there will be urgent talks so that there can be established a modified Procedure with an agreed constitution, membership and role for an independent reference body. It is recognised that where closure proposals are initiated under ^{the} existing procedures, it will be some time before the independent reference body will be required. It is therefore agreed that all parties will do everything in their power to reach an agreement on the establishment of this body within ~~two~~ ^{three} months so that it will be in ~~being~~ ^{place} in time for any proposals to be referred to it. It is recognised that if there was a failure to reach agreement within ~~two~~ ^{three} months the existing procedures will continue to apply until agreement on modified procedures is reached.]

TUC to
offer
wording

6. Under the modified Colliery Review Procedure the independent body will constitute a further consultative stage after the national appeal stage to consider reference from any of the parties to the Procedure where agreement is not reached in the usual steps at colliery and Area level. All parties are committed to give full weight to the view of the proposed independent review body.
7. Proposals about the future of pits will then be dealt with through the modified Colliery Review Procedure. In accordance with past practices, those pits which are exhausted or facing severe geological difficulties will be closed by joint agreement. In the case of a colliery.

where there are no further reserves which can be developed to provide the Board, in line with their responsibilities, with a satisfactory basis for continuing operations such a colliery will, ^[before the Board's decision - words in brackets word it should close] if requested by either party, be reviewed under the Modified Colliery Review Procedure.

8. At the end of this procedure the Board will make its final decision, [as to whether or not to close the colliery.]
9. The parties accept this is not intended to constitute a non-strike agreement.

Note. The 7 argue that addition of words in [] to para 8 will jeopardize wording in 8 that is already agreed. They also argue that words are superfluous. PW is considering moving phrase to para 7.

IMMEDIATE

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ACTION COPY

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DESKBY 200630Z

FM WASHINGTON 200440Z

TO IMMEDIATE FCO

TELEGRAM NUMBER 584 OF 19 FEBRUARY 1985

FOLLOWING FOR TURNBULL, 10 DOWNING STREET FROM BUTLER, PRIME
MINISTER'S PARTY

THE PRIME MINISTER IS CONTENT WITH THE LETTER AND DRAFT CLAUSES
SUBJECT TO TWO SUGGESTIONS.

IN THE FIRST SENTENCE OF THE THIRD PARAGRAPH OF THE DRAFT LETTER SHE
SUGGESTS DELETING QUOTE FULL. UNQUOTE THIS WORD IS NOT NECESSARY AND
MIGHT BE CHALLENGED BY A MINORITY.

ON THE DRAFT CLAUSES, THE PRIME MINISTER WOULD NOT DISSENT FROM
PUTTING THE WORDS IN SQUARE BRACKETS IN PARAGRAPH 7 INSTEAD OF
PARAGRAPH 3 BUT SUGGESTS THAT THE OPENING WORDS OF THE SQUARE
BRACKET SHOULD READ QUOTE BEFORE THE BOARD'S DECISION. UNQUOTE
THE PURPOSE IS TO MAKE CLEAR THAT THE BOARD DECIDES.

WRIGHT

(PM/FERB)

DISTRIBUTION:
PM'S PARTY

RK

File No.

OUTWARD

Security Classification

Department

TELEGRAM

Precedence
IMMEDIATE

Drafted by
(Block Capitals)

Tel. Extn.

DESKBY 200630 Z

FOR
COMMS. DEPT.
USE

Despatched (Date) 20/2
(Time) 0532 Z

POSTBY Z

PREAMBLE

(Time of Origin) 200440 Z(G.M.T.)

(Restrictive Prefix)

(Security Class.) CONFIDENTIAL

(Caveat/
Privacy marking)

(Codeword)

(Deskby) 200630 Z

TO IMMEDIATE LONDON ~~FEK~~
(precedence) (post)

Tel. No. 584 of 19/2

AND TO (precedence/post)

AND TO SAVING

INFO

INFO SAVING

Distribution:-

P.M.'s Party

[TEXT]

FOLLOWING FOR TURNBULL, 10 DOWNING STREET FROM
BUTLER, PRIME MINISTER'S PARTY

The Prime Minister is content with the letter
and draft clauses subject to two suggestions.

In the first sentence of the third paragraph
of the draft letter she suggests deleting
"full". This word is not necessary and might
be challenged by a minority.

On the draft clauses,
[the Prime Minister would not dissent from putting
the words in square brackets in paragraph 7
instead of paragraph 8 but suggests that the

REPS.

Copies to:-

opening words of the square bracket should read "before the Board's decision".

The purpose is to make clear that the Board decides.

FERB

NOTHING TO BE WRITTEN IN THIS MARGIN

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SUBJECT

CC. MASTER.

RECORD OF MEETING HELD WITH TUC MONITORING GROUP TO DISCUSS
THE COAL DISPUTE AT 11.30 AM ON 19 FEBRUARY 1985 AT NO.10
DOWNING STREET

Present:

Prime Minister	Mr. Willis
Lord President	Mr. Eccles
Secretary of State for Energy	Mr. Basnett
Secretary of State for Employment	Mr. Buckton
Mr. Hunt	Mr. Evans
Mr. D. Smith	Mr. Keys
Mr. Gregson	Mr. Russell
Mr. Butler	
Mr. Ingham	Mr. Graham
Mr. Turnbull	Mr. Jackson
	Mr. Monks
	Mr. Barber

The Prime Minister welcomed Mr. Willis and his colleagues to the meeting and expressed her appreciation of the TUC's efforts to promote a settlement of the coal dispute. She then invited Mr. Willis to set out the position as he saw it.

Mr. Willis said the TUC was anxious to see a speedy conclusion to the dispute. They had been busy over many months seeking to build bridges between the parties. He had been particularly active in the past two weeks. His discussions with the NCB had resulted in the document of 13 February. He had seen difficulties in this document for the two mining unions but had thought it right for them to know the position of the Board.

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Both unions had rejected the document. NACODS considered that it cut across their own agreement reached in October 1984. The NUM had raised a number of points which he had relayed to the Chairman and Deputy Chairman of the NCB on Friday. NACODS had met the Board on Saturday morning while the NUM reported their position to ACAS. The TUC then heard reports from the two unions.

During a meeting later on Saturday the NUM Executive had reconsidered its position and had proposed only three amendments to the Board. Mr. Willis had taken these to the Deputy Chairman on Sunday morning but the latter had said that the NCB document was a fixed position.

Mr. Willis said that his judgement was that the last meeting of the NUM Executive had seen a significant shift and he doubted whether this had been fully appreciated by the NCB. After considerable discussion the full Executive of the NUM had:

- i) accepted that it was the Board's duty to manage the industry efficiently and secure its development in accordance with its responsibilities;
- ii) confirmed acceptance of the modified colliery review procedure;
- iii) accepted the NCB's right to take final decisions;
- iv) committed themselves to a restoration of good relations with the industry.

Mr. Willis said that certain elements in the union feared that to accept in advance the NCB's right to close pits on uneconomic grounds would prejudice their right to oppose such closures. The union could not sign away such a right. This position was shared by NACODS and it had been

noted that the agreement with NACODS had not incorporated such a prior requirement. NACODS felt that to require the NUM to accept this would undermine their own agreement.

Mr. Willis said the NUM response required careful consideration and that was what he was seeking to ensure through this meeting. At the same time the NCB should reconsider NACODS' objection to the final sentence of paragraph 5. As drafted it implied that there would be closures under the existing procedure when that union had agreed a modified procedure. There could not be one agreement with one union and a different agreement with another; there had to be a common procedure for all pits. Mr. Willis suggested that a target date could be set for agreement on the constitution of the independent review body. He hoped that the Board would reconsider this.

Mr. Willis said that it would not be possible to rebuild relationships without an agreed return to work. He hoped the Government would act decisively to help achieve this. The TUC stood ready to help. In all his contacts with people in the industry he had come across a substantial commitment to a successful industry. People were anxious to put the past behind them. The revision of the Plan for Coal would provide a positive focus for all the parties to work on.

The Prime Minister stressed again that she appreciated the TUC's efforts and said she and her colleagues had listened carefully to the points Mr. Willis had made. There could be no question of Ministers negotiating, a point which was readily agreed by Mr Willis. The Prime Minister said she wanted to see the strike settled as soon as possible on a basis which allowed the damage done to the industry to be repaired and which allowed the industry to operate successfully. This required a clear resolution of the central issues of the dispute. It was in no-one's interest

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to end the dispute with an unclear document; this would only be the basis for the next dispute with arguments about interpretation and accusations of bad faith. The meaning of the agreement should be clear from the face of the document.

The Prime Minister said she had noted carefully what Mr. Willis had said about a significant shift in the NUM Executive and about the points which the NUM now appeared to be ready to accept. It was more difficult for the Government, however, to identify whether there had been such a shift.

The Prime Minister pointed to a difference of approach between NACODs and the NUM. Originally the NUM had accepted that loss-making pits had to close; this was clear from the Daly circular which was presented in evidence to the Select Committee. Subsequently, the NUM attitude had changed and they were now opposing outright the closure of uneconomic pits. NACODs' evidence to the Select Committee indicated that the Union would fight the closure of uneconomic pits through the various procedures but would accept that, at the end of the day, the Board had the right to close them.

The Prime Minister gave an assurance that the NACODs agreement would be fully honoured and she did not think it would be difficult to agree with that Union the constitution and functions of the independent review body. The NUM, by contrast, might refuse to reach an agreement on the independent review body and, without the provision that existing procedures would then apply, the NUM would in effect have a veto on closures.

An effective settlement to the dispute would require understandings about procedures; acknowledgement of the NCB's right to manage and to make the final decisions; and

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an acknowledgement that the Board would take take the economic performance of pits into account when making its decisions.

The Secretary of State for Energy said that if pits proposed for closure were put into the review procedure at the conclusion of the strike, it would be some time before the independent review body would come into play. The aim should be to get agreement on the independent body by that time but with the proviso that if this were not achieved existing procedures would apply. Mr. Willis said that assurances that the NACODs agreement would be honoured would not be sufficient; the document itself should make clear how this would be done.

The Secretary of State for Energy asked Mr. Willis what was his understanding about the NCB document. Was it meant to represent a final settlement of the issues it covered which would form part of a wider agreement, or was it a basis or agenda for negotiation on those issues? Mr. Willis said he was clear that the document was meant to form part of the final agreement. The NUM accepted that and he had relayed that view to Mr. Cowan. The other members of the TUC monitoring group also confirmed that this was their understanding.

Mr. Willis drew attention to the fact that the document was not meant to represent a no-strike agreement. This was acknowledged by the Prime Minister.

Summing up the discussion, the Prime Minister said the Government had listened carefully to the points made by the TUC; the Secretary of State for Energy would convey those points to the NCB who would consider them carefully. The Prime Minister said that a settlement was long overdue but that any agreement must deal clearly and unambiguously with essential issues of the dispute. Mr. Willis said the TUC

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remained ready to help and might wish to make further contacts with the Government and the NCB.

There was a brief discussion of the statements which each side would make to the press. Copies are attached.

AT

19 February 1985

STATEMENT TO MEDIA AFTER TUC MEETING

1. The Prime Minister, accompanied by the Lord President and the Secretaries of State for Energy and Employment, met representatives of the TUC, led by their General Secretary, Mr. Norman Willis, for an hour today.

2. The TUC reported on their efforts to promote a settlement of the coal dispute.

3. The Prime Minister expressed appreciation for the TUC's efforts. She said a settlement was long overdue.

4. The Prime Minister said the views of the TUC would be conveyed to the NCB by the Secretary of State for Energy. The Government wanted an early resolution of the strike but any agreement must deal clearly and unambiguously with the central point of the dispute.

PRIME MINISTER'S MEETING WITH TUC MONITORING TEAM, 19 FEBRUARY 1985

NORMAN WILLIS'S STATEMENT TO THE PRESS IN DOWNING STREET

NW: We had a very serious and very considered discussion with the Prime Minister about the urgent need for a settlement of the dispute. The Prime Minister welcomed the TUC's genuine endeavours to assist in promoting a settlement. She listened very carefully indeed to the points we put to her and has undertaken that the Energy Secretary will be conveying these views to the National Coal Board. In that situation the TUC is standing ready to continue its efforts to facilitate a settlement and will be remaining in touch with the Government as well as the National Union of Mineworkers and NACODS and on that basis we are looking ahead.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 584 OF 19 FEBRUARY 1985

FOLLOWING FOR TURNBULL, 10 DOWNING STREET FROM BUTLER, PRIME MINISTER'S PARTY

THE PRIME MINISTER IS CONTENT WITH THE LETTER AND DRAFT CLAUSES SUBJECT TO TWO SUGGESTIONS.

IN THE FIRST SENTENCE OF THE THIRD PARAGRAPH OF THE DRAFT LETTER SHE SUGGESTS DELETING QUOTE FULL. UNQUOTE THIS WORD IS NOT NECESSARY AND MIGHT BE CHALLENGED BY A MINORITY.

ON THE DRAFT CLAUSES, THE PRIME MINISTER WOULD NOT DISSENT FROM PUTTING THE WORDS IN SQUARE BRACKETS IN PARAGRAPH 7 INSTEAD OF PARAGRAPH 8 BUT SUGGESTS THAT THE OPENING WORDS OF THE SQUARE BRACKET SHOULD READ QUOTE BEFORE THE BOARD'S DECISION. UNQUOTE THE PURPOSE IS TO MAKE CLEAR THAT THE BOARD DECIDES.

WRIGHT

NNNN