

SECRET AND PERSONAL

PRIME MINISTER

Here is the text of the TUC document with Mr. Walker's comments (Flag A) which he proposes to give to Mr. Willis tomorrow. He has consult^{ed} Ian MacGregor who has no further comments of his own, except that he would prefer that the TUC did not do anything (but Mr. Willis^{is} points out we cannot stop them). Mr. Walker emphasises that he would give these comments to Willis on a private and "take it or leave it" basis but does not want to get into a line by line negotiation which would involve the Government too much. Mr. Walker will await a telephone call from you with your reactions.

Mr. Walker also wanted you to know that, in response to press reports about problems at power stations, he has put out a press statement this morning saying that the CEGB have informed him that they have met peak loads on three successive days and have reaffirmed that they see no prospect of power cuts at present levels of production this year. Indeed, even if the present terrible weather continued until mid-April they would still have very substantial stocks of coal.

19 January 1985

ROBIN BUTLER

PS: Following my telephone conversation with you; I think the real point is that Peter Walker must not allow himself to be manoeuvred into a position in which he is morally committed to welcoming, or not condemning, an unsatisfactory TUC statement.

SECRET AND PERSONAL

DRAFT TUC STATEMENT

New Agenda for Coal

- 1) It is now time given all the changes and circumstances including the effects of the current lengthy
① dispute for all parties concerned to concentrate attention on the future of the industry against which any return
② to normal relationships are to take place.

- 2) Parties to the dispute have already been prepared to agree that with a view to establishing a developing and expanding coal industry equipped to meet future energy requirements they will jointly discuss the Plan for Coal and any proposed revision.

- 3) The elements below will constitute the basis for a return
③ to work and to safeguard the industries' future:-
 - i) The NCB's proposals for 6 March are no longer applicable to the present circumstances.
④ Unacceptable

 - ii) The following five pits [usual 5 pits] will stay in operation. Proposals relating to the future of collieries will be dealt with through the modified Colliery Review Procedure and its relationship to Plan for Coal as referred to in paragraph 4 below. Any new objection for areas formulated by the NCB will
⑤ } be discussed with the NUM and other mining unions.
iii)

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iii) The existing Colliery Review Procedure has the objective of reviewing the performance and future of all pits with representatives of unions.

(6) The parties accept the need to modify the procedure. The modification will introduce an independent body at a further stage after national

(7) appeal stage to consider references from any of the parties to the procedure where there continues to be a disagreement. After return to work

(8) there will be urgent talks about the constitution, membership and role of the independent body with a view to its establishment by the date referred to in paragraph 4 below.

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4) Talks should commence urgently after return to work on

(9) Plan for Coal and any proposed revision. It is acceptable by the parties that many of the targets for Plan for Coal for reasons outside the control of the NCB and those working within the mining industry are no longer applicable. Parties should agree before return to work on a target date, say (10) 6 months, by which this Plan should be produced. The parties should be ready to hear the views of the TUC and other interested parties on Plan for Coal.

5) Discussion about Plan for Coal could include the following:-

Markets and Output Prospects

How more coal can be sold.

New uses for coal e.g. liquefaction

Joint NCB union marketing teams.

(11)

Relationship to national energy needs.

(12)

Care and maintenance of pits with workable resources.
Investment.

Productivity.

NCB accounting system.

Employment and Community Strategy

(13)

Where pits are closed for any reason measures are needed to mobilise local authorities, industry, MSC, etc., to develop new jobs.

(14)

Increase central government resources

Voluntary redundancy and early retirement terms

(15)

Reduced working time.

Transfer and relocation of allowances.

Retraining.