

SUBJECT
cc MASTER

MR. TURNBULL

Peter Walker spoke to the Prime Minister yesterday afternoon. They agreed that the TUC document was unacceptable and the Prime Minister instructed that Mr. Walker should spell this out to Mr. Willis and avoid becoming embroiled in detailed discussion. On the forthcoming contacts between the NCB and the NUM, the Prime Minister shared Mr. Walker's apprehension, in particular about the competence of the NCB negotiating team. There was a discussion about future tactics in the dispute and in particular the question of whether the Board should continue to insist on a withdrawal by Mr. Scargill from his current position or whether talks which broke down on Mr. Scargill's intransigence would best serve the purpose of ending the dispute. The Prime Minister took the former view.

Mr. Walker and the Prime Minister also discussed the failure of the NCB to come forward with proposals for the Advisory Body envisaged in the NACOD's agreement.

Following the discussion the Prime Minister instructed me to set out the main points of the conversation in a letter to Michael Reidy. A draft is attached. Before you see the Prime Minister you might like to glance at it and if you wish give me a ring.

TIM FLESHER

20 January 1985

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10 DOWNING STREET

From the Private Secretary

20 January 1985

This is to record the main points of a telephone conversation between the Prime Minister and your Secretary of State yesterday on the document produced by Mr. Norman Willis and various other aspects of the coal dispute.

On the TUC document, the Prime Minister said that she agreed with the detailed comments made by your Secretary of State on the individual sections of the proposals. More generally, however, she felt that the proposals were in toto unacceptable and that Mr. Willis should be under no illusions as to the Government's attitude towards them. In conveying his comments to Mr. Willis therefore your Secretary of State should inform him that the TUC proposals failed to meet a number of fundamental tests. Your Secretary of State undertook to consider how best this might be conveyed to Mr. Willis and to let the Prime Minister know the language he proposed to use. This language could also form the basis of the Government's position to be made public at the time at which the TUC's document became known.

On the subject of the imminent contacts between the NCB and the NUM, the Prime Minister said that she shared your Secretary of State's apprehension about the likely outcome. Her view was that there was no purpose in further negotiations unless the President of the NUM withdrew from his position on the closure of uneconomic pits; accepted that the Colliery Review procedure as amended under the NACODS agreement should operate immediately after a return to work; and that the final decision on pit closures should rest with the National Coal Board. To enter talks on a less clear understanding might well jeopardise the return to work which was continuing steadily, undermine the position of the working miners and give rise to the possibility of a less than satisfactory outcome. Your Secretary of State said that he agreed that the position of the NCB was at present extremely strong and that any contacts should take place on the understanding that the NUM had shifted its position. How best that strong position might be exploited over the next few weeks would need to be interpreted in the light of developments.

Your Secretary of State said that he was somewhat concerned that the NCB had not yet come forward with proposals for the Closure Advisory Body envisaged in the

NACODS agreement. The absence of firm proposals from the Board could well be exploited by NUM negotiators to produce an effective moratorium on pit closures following a return to work. It would be difficult for the Board to go ahead with closures, whatever the outcome of the dispute, if the Review Procedure envisaged in the NACOD's agreement had not yet been finalised. The Prime Minister said that she fully agreed with your Secretary of State. He should put further pressure on the Board to produce proposals in the very near future.

I should be grateful if you would treat this letter as personal to your Secretary of State and yourself and allow no copies of it to be made.

TIM FLESHER

Michael Reidy, Esq.,
Department of Energy.