Prine Minister,

DOLE NOT COAL.

Most of the working miners hold political views on all important issues to the right of your own. But they are most unlikely to vote for you at the next election. Because they are bloody-minded in the best and worst British way and loyal to the myths of their class even though these have been utterly discredited by the strike. Similarly, most still-striking miners know that Scargill is out to destroy all the British political traditions that they are proud of, their union and parts of their industry. They accept that it is ludicrous to expect other workers to pay their uneconomic wages indefinitely. They expect to gain nothing from the strike. But most of them won't go back to work. Voluntarily.

The NUM leadership is in poor shape. Many tiny legal ropes are more and more restricting its freedom. Like Gulliver. There are at least 35 legal actions current against the union. Brought by the National Working Miners Committee, by Foulstone and Taylor, by other individual miners. I have managed, so far, to co-ordinate this effort through the NWMC, itself well financed, now. (I persuaded the dreadful Getty, who had given £100,000 to the striking miners fund, to give the NWMC £120,000)

The primary objectives of the legal actions that I presented to you in the summer have been achieved. The union's defences are swamped with the sheer scale of the actions brought against it. They are unable to offer coherent legal answers to any but the two or three most important. The NEC is deeply divided. The action against the individual members of the NEC for breach of trust provided the first clear signal of the split. Scargill asked all of them to use his solicitors (Siefert, Sedley). Four, Bell, Toon, Jones and MacKay refused, instructed their own solicitors. Internal NEC votes reveal further splits. Picket line violence seems to have ended. Partly because arestees for serious offences are being remanded in custody - Scargill can pay their fines but he cannot go to prison for them. Partly because many NEC members dare not order funds to be paid to pickets because the Sequestrator or Receiver will eventually track them down and have evidence against them for possible future prosecutions for incitement to riot, violence, conspiracy etc. We have made sure whispers to this effect are active amongst NEC members.

The NUM insect is slowly being wrenched apart.

Scargill can only win the strike if we snatch defeat from the jaws of victory - give victory to him. Still very much a possibility I am afraid. Because of a failure of political will by Peter Walker or at the Coal Board. I need not reiterate the effect any settlement that could be seen by the Street as a Scargill victory (or as something that the government could have achieved sooner) would have on your political prospects.

First danger, Walker. One example from many instances. Before Christmas, Walker leaked a story to the Telegraph to the effect that MacGregor was organising the working miners' legal actions against the NUM. He was forced into this because he had been boasting that he had organised them and had been caught out by a keen reporter. Apart from the utterly counter-productive effects of such a leak it is difficult to see what his motives could be, except to discredit the working miners who, in his view, could stand in the way of a negotiated settlement on terms unsatisfactory to them.

Walker may well try to achieve a solution that would be unsatisfactory for you and so for the country. But satisfactory for him.

A compromise would suit him. An exceedingly ambitious man, his calculation must be that post Thatcher, the leader of the Conservatives is not likely to be a Thatcherite. Thatcherism leaves many Conservatives out of breath. They put up with it because it appeals to the working class. It so obviously works at the polls. As they put up with Disraeli. If he managed a settlement that you didn't like, you would undoubtedly say so. That is how you act. If you did distance yourself from such a settlement he would then be able to stake a claim to the middle ground of the Conservative party. Not at once. Not too overtly. He would simply put himself forward as the great healer, the man who made compromise work, the man who finally brought MacGregor and Scargill to see sense. In this way making you look more and more extreme.

Second danger, Macgregor. It is entirely possible that he will bumble into a dangerous compromise. He continues to swing through the whole spectrum from hoping to win on the small print to robust fortitude. Today he is just in the green (fortitude). I see him three or four times a week and speak to him every day. He is absolutely charming, utterly unpredictable and still has no real feel for the political dimensions of the strike. If there is an emergency I will be able to inform you. It would be sensible for you to see him again, soon. I have noted that he is much sounder after a meeting with you.

Currently, MacGregor's strategy, is to get a further ten to fifteen thousand men to return to work and then claim that half the NUM is working, that the strike is effectively over. He has almost 70,000 NUM members at work. There are 189,000 on the books. (He claimed on the Frost show that there were substantially less but that is a nonsense that Scargill won't let him get away with). He needs twenty five thousand to have a valid argument.

Now consider Britain and the wider political implications of the dispute. It is vital for us all to remember that there are fifty-five million Britons and only just over two hundred thousand of them are employed in the Coal industry. The vast majority of ordinary Britons understand the political dimensions of the strike. They have supported the government loyally for nearly a year. They have accepted the overriding moral argument that Scargill has to be faced down whatever the cost. But a new moral argument may well emerge if the strike continues for much longer. The Briton's readiness to feel sorry for the under-dog may well submerge his determination to defeat Scargill. Especially as more and more people now believe that Scargill has lost.

As ordinary Britons allow themselves to relax and stop fearing a Scargill victory their attention will focus on the suffering of the striking miners and the businesses that have been depending on them. They will have many accomplices in the Labour Party and the Press. Support for the government's handling of the strike could turn with dramatic speed.

The longer the strike continues the greater the strain on the working miners. Some are beginning to get depressed as they see no end to the strike. They are still being threatened. Mobs still turn up outside their houses, especially in Wales and Yorkshire. Their wives still receive threatening telephone calls day and night. Others have simply lost interest. At Pye Hill, before Christmas, a NUM branch meeting was attended by more strikers than workers even though ninety per cent of the men are at work.

There are strong moral arguments for ending the suffering of the strikers who have been so sadly misled by Scargill. Stronger than the political argument - Kinnock's and the Left's discomfort - for allowing the strike to continue.

Since the beginning the Coal Board and Walker have laboured under a great misapprehension. That Scargill, though unreasonable, is not so unreasonable that a negotiated settlement can not be achieved. He is. Scargill, because of his position within the union and his temperament, can only freely negotiate a victory.

There is another dangerous misapprension gaining acceptability. That the strike will somehow simply peter out. It won't. It has to be ended by action. It should be ended by action for which you will be given political credit.

The strike can only be ended by turning Scargill's strongest argument on its head. The strikers remain on strike for many reasons. One of the most important. They have a safety net. They believe that whatever happens they will not lose their jobs. To persuade them to go back to work (and to turn on Scargill and possibly destroy him) they must be convinced that if they don't start digging coal they will be put on the dole.

This can only be achieved by a graduated series of statements and measures by the Coal Board slowly escalating to a point where those still on strike are sacked. It is

necessary to go step by step in order to convince the strikers that the Coal Board means business. It is also desirable, morally and in order to keep the public with us. Timing of such a programme is vital. The anniversary of the beginning of the strike presents itself as an obvious date for consideration.

Steps would include:

One, creating and publicising plans for restructuring the industry around the working areas. (MacGregor has this partly in mind on his good days). This is entirely desirable and may become politically essential anyway. That uneconomic pits should be closed is now widely accepted. People will ask why the country should pay £2.5 bil. and endure a twelve month strike to return to the very unsatisfactory and expensive-for-the-nation status quo ante.

Two, insisting that the base year for redundancy payments for men not at work by a certain date would be 1983/1984. Very disadvantageous for departing employees who have been on strike since the beginning because the quantum of their redundancy is partly dependant on their work record in their last year. (MacGregor is considering this).

Three, withdrawing the guarantee of no compulsory redundancies for all NUM (not NACODS) members not at work by a certain date. (We have already laid the groundwork for this in statements from MacGregor and Eaton).

Four, announcing that men not at work on the anniversary of the strike will no longer be considered employees of the Coal Board. And meaning it.

Such a programme would require considerable political will. If you decide to go this way you will have some difficulties getting Walker on side and MacGregor would be a less than enthusiastic executive although he often talks tough privately. You know how to deal with Walker. I can help with MacGregor. Eaton is in favour of getting tough (as are many area directors). He would be quite prepared to do the work. But it would be politically detrimental for you to remove MacGregor. In the public eye he is the sword of your determination to face down the miners. One solution: get MacGregor to appoint Eaton chief executive and tell MacGregor to leave Eaton alone to settle the strike.

The political risks of such a programme are obvious (one hundred thousand new faces on the dole, for one) but I do not see any alternative that is likely to produce a satisfactory outcome for the country or for you. Certainly over fifty thousand men will remain on strike unless tough action is taken or Scargill orders them back to work. A decision needs to be taken by the end of January. To allow the strike to continue, hoping that the drift back will end it may well be even more perilous than to take the tough steps outlined above.

David Hart. 7th January 1985.