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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

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*he will let you
have the result as
soon as it comes
through or Sunday -
doesn't look too
good.*

CONFIDENTIAL

Tim Lankester Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Mi

28 November 1980

Dear Tim,

*R
28/11*

MINERS PAY

My Secretary of State has asked me to inform you that Sir Derek Ezra telephoned at lunchtime today to give him the latest information available to the National Coal Board on the likely outcome of the Miners Pay Ballot. Indications from the various Areas were that, contrary to earlier expectations the result was going to be a "very close-run thing". Sir Derek's best guess was that the voting could be split about 48-52%, with the result going either way.

This change of heart was, Sir Derek said, directly attributable to the Chancellor's statement on Monday and associated developments on this front during the week. The feeling amongst the men, encouraged by those elements opposed to a successful early conclusion of the negotiations, was that the Government's latest economic measures, (in particular the increase in employee's national insurance contributions and the increase in council house rents,) had completely changed the situation which had led the NUM negotiators to agree on the 9.8% figure. Effectively, it was being said, the offer had been reduced by 50% in terms of the net effect on miners' wage packets. The deal should thus be re-negotiated. Sir Derek emphasised that the outcome was delicately balanced and that nothing could or should be done for the present. If the vote was no (and a simple majority of those voting was all that was needed either way) the NUM would come back to the Board for more money. The Board were clear that they would have to turn this request down: there was no extra money, and in any case any other answer would completely undermine the credibility of both the NUM Executive and the NCB negotiators. It was not clear what would then follow. There could be sporadic disruptive action, eg an overtime ban in the Yorkshire Area. Eventually there would be pressure for a ballot on strike action.

The Secretary of State thanked Sir Derek for passing on this information and agreed that there was nothing anyone could do at the present. They agreed to keep in touch.

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The result of the ballot will be formally available on Monday, although Sir Derek said that he would probably have a clearer idea of the outcome on Sunday. He will keep in touch with the Secretary of State and we will pass on any further information as it becomes available.

I am copying this letter to John Wiggins and Richard Dykes.

Yours sincerely,

G S Dart

G S DART
Private Secretary

conqueror