

SECRET

Primi Amishi

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A plea for a  
real strategy before we

18 May 1981

finally decide the EFL.

See para 3 in particular.

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Qa 05370

To: MR LANKESTER

From: J R IBBS

NCB FINANCES

1. I understand that the Prime Minister is having some further meetings on this subject.
2. I believe strongly that the crucial issue is not the immediate fracas about the 1981-82 level of investment and EFL taken in isolation. Rather it is how to move to a situation where vis-a-vis the miners the Government has some degree of control rather than the entire initiative being with the NUM. Because the outcome of each issue involving the miners reverberates right across the economy the present lack of control over the miners leaves a gaping hole in economic policies. For example, workers in other nationalised industries tend to follow the miners lead and the private sector also is considerably influenced; money used to support inefficiencies in coal means less money available for constructive spending elsewhere.
3. The aim should be to devise a plan for progressively regaining some of the initiative; immediate decisions on investment and the EFL should be taken in the light of this. Premature confrontation would be disastrous but bending at the slightest sign of pressure is as bad. Lack of confidence in Derek Ezra's judgement is a very serious weakness in trying to come to the right view on these matters. Personally I doubt whether it is acceptable to live with this until May - a fairly long handover period to a new Chairman might be worth considering.
4. The essential elements in any plan for regaining the initiative should include:



SECRET

- a) how to withstand a strike;
- b) how to get public opinion lined up with the Government rather than the NUM - the Chancellor recently drew attention to the need for a campaign with this objective;
- c) how to undermine the buoyant confidence of the NUM so that they stop feeling invincible; for example, how can the <sup>forthcoming</sup> following election of a new NUM president be turned to the Government's advantage.

5. This whole question seems so important that it warrants concentration of all the ingenuity available to the Government and should not just be an interdepartmental quarrel over the immediate money.

6. I am sending a copy of this minute to Sir Robert Armstrong.