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Qa 05648

To: PRIME MINISTER

31 July 1981

From: J R IBBS

NCB/NUM Problem

1. I am attaching to this minute the report on the CPRS study of the NCB/NUM problem.
2. Unfortunately, we have been unable to find any radical new solution. We have identified some steps which should begin to improve the situation, but the effect of most of them will be relatively small in the next few years. However, the analysis may be useful in enabling those immediately concerned to see where any additional helpful measures might be found.
3. The immediate problem is basically a psychological one. The NUM is confident that it can make substantial demands; the Government and the NCB are not well placed to disprove this. It is important to try to avoid confrontation but to take care not to do anything that would add to NUM confidence.
4. One aspect not covered in the report is that the NCB is thought by some people to be pursuing on some issues interests more in line with those of the NUM rather than those of the Government. Personally, I believe it would be wrong to attribute the problem to this. What is certain is that the next Chairman must be absolutely clear on his objectives and start with, and retain, the confidence of Government.
5. I am sending a copy of this minute and attachment to the Chancellor of the Exchequer, the Secretaries of State for Employment and Energy, and to Sir Robert Armstrong.

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