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Prime Minister ②



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SECRETARY OF STATE FOR ENERGY  
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Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
London SW1

21 October 1983

Dear Andrew

I attach, as agreed, a short factual note by officials on today's decision by the NUM Special Delegate Conference to reject the Coal Board's pay offer. As I explained, my Secretary of State has not yet seen this, and I will let you know if he wishes to comment.

You may also like to have a copy of an NCB press release dealing with remarks which Mr MacGregor is expected to make this weekend.

Yours sincerely  
Michael J.

M F REIDY  
Private Secretary



BRIEF FOR THE PRIME MINISTER

NUM SPECIAL DELEGATE CONFERENCE: 21 OCTOBER 1983

The NUM's Special Delegate Conference today rejected the 5.2% pay offer made by the National Coal Board. The Conference decided:

- (a) to call for an overtime ban to take effect from Monday 31 October;
- (b) to make a further approach to the NCB for an improved wage offer;
- (c) to maintain NUM opposition to pit closures except on grounds of exhaustion;
- (d) to oppose any further rundown of manpower.

The next step will be a letter from NUM to NCB calling for a further meeting. The Board, if they offer such a meeting, may feel there will be some advantage in holding it before the overtime ban comes into effect.

Today's Conference took no decision on whether a ballot should be held. Mr Scargill was asked about this directly by the NCB but was unable to give any view. The possibility of a further Special Delegate Conference cannot be ruled out.

On the whole the SDC can be regarded as broadly representative of coal field opinion round the country. It does not however follow that the result of a ballot would be to reject the current wage offer.



As regards the overtime ban, coal stocks are currently so high that there would be no imminent threat to security of supply. The main immediate effect would be to reduce the Board's need to put coal to stock, thus reducing costs. While there would therefore be cash benefits to the NCB from an overtime ban, these would be countered to some extent by the simultaneous increase in production costs. Some pointers can be found in the 3-week overtime ban last year:

- (a) average deliveries of coal fell by 10%;
- (b) average lost production was 14% (but this varied greatly from one Area to another);
- (c) average loss in miners' earnings was £40 per week or 25%.

Overtime bans inevitably give rise to arguments as to what work is essential, shifts being sent home, disciplinary problems and local strikes. Last year the NUM hoped these factors would increase support for a strike: in the event the variation in support among Areas and pits much reduced NUM unity.

Coal 2 Division  
21 October 1983