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PRIME MINISTER

PAY AWARD TO WORKING MINERS

I gave Mr. Walker's office an account of your discussion with Mr. Stewart and warned them that you wished to speak to him about the proposal for a pay award for miners at work. I suggested that rather than asking Mr. Walker to come across for a meeting, you might want to talk to him by phone.

Subsequently, Mr. Walker himself phoned back to make the following points. Department of Energy Ministers have talked about this question often with Mr. Stewart, but his account does not accord with Mr. MacGregor's account of the NCB's discussions with the newly-elected union leaders in the working areas. The latter have said that they would like to receive a 5.2% increase in return for lifting of the overtime ban, but they can see no way in which they could fulfil this bargain without breaking the union's rules. Since adherence to the constitution is their guiding principle, this is the last thing they wish to do. Mr. MacGregor says it has been agreed that if ever the newly-elected leaders put a scheme to him which gets round their difficulty, the NCB will immediately pay the increase. (It has, however, been agreed that any miner who returns for more than four weeks will receive some holiday pay). I find this account more convincing than Mr. Stewart's claim that the overtime ban could be called off by area action.

This does not rule out a pay award without removal of the overtime ban. In effect this would be an imposed settlement of the kind considered for the Civil Service. The case for it would be:-

- (i) to improve morale of those at work;
- (ii) to enhance the status of the newly-
elected officials;
- (iii) to increase the incentive to return
to work;
- (iv) to create the impression that the NCB
and the working miners are going to get
on with the job regardless.

I think it is still worthwhile your talking to Mr. Walker on the phone to discuss this proposition and to ask him to consider it with Mr. MacGregor. This could be either this evening after the EXCO function or around 0900 tomorrow.

AT

19 September 1984