



Prime Minister

(2)

To note

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

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PRIME MINISTER

NUM WAGE SETTLEMENT

I read with interest Ferdy Mount's analysis of the industrial relations scene in his minute to you of 3 November.

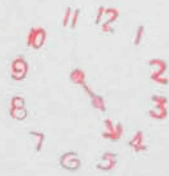
2. I am not sure that we are quite as far down the road as he suggests. There are some important negotiations still to come in the current pay round and we must remember that the NUM did have some success in using the threat of strike action. I agree that we must now do all we can to prevent 8 - 9 (or even 6.5) per cent becoming the going rate for the rest of the pay round. In my view the NCB might be asked to respond to exaggerated accounts of the miners' settlement, such as those in recent Press comment on the water service and gasworkers' claims. In any speeches we make on the subject of pay during the coming weeks, the general message should be one of lower inflation, lower pay expectations, and no automatic annual increases.

3. I am copying this minute to Ferdy Mount.

(G.H.)
10 November 1982

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