

S E C R E T

13th January 1982

I would have liked a private word this morning, but it was not to be.

This room is rather like Piccadilly Circus - without ros!

I enclose a memorandum of yesterday's date which I have received from Ral Harris, whose heroism, if anything, increases.

Could you please give me a ring as soon as possible, letting me know whether the figures are correct.

Will you lunch with me on Monday at 1.00 p.m. at the Cavalry Club? Please cancel any prior commitments.

IEN GOW

The Rt Hon Nigel Lawson MP

Harris

13th January 1982

Message received and understood.

V.M.T.

IAN GOW

The Lord Harris of High Cross

from Lord Harris of High Cross



Confidential Memorandum on NCB versus NUM

12th January 1982

The enclosed figures show that in the current year support for the NCB from public funds amounts to a sum about half of the total wage bill. These statistics were extracted from public figures by a personal contact in the NCB who is anxious about the damage Scargill and Co. might do to the future prospects of the British coal industry.

My contact expects the miners ballot will display loyalty to the NUM, but doubts whether the miners have any stomach for a strike. He believes that publicity should be given to the central statistics of public support for the miners' current high earnings, but acknowledges that the government may not be the most effective publicists.

After considering the most effective champion to make a public statement or write a letter to the Times, I sought out Jo Grimond but find he is abroad. I therefore had a private word with Lord Robens as former chairman of the NCB. He agreed the case against the NUM was very strong and would contemplate a public pronouncement in due course. Meanwhile he reported a recent conversation with Sir Derek Ezra who was most emphatic that the government should resist the temptation to intervene. DE is apparently determined to stand firm against Scargill.

Lord Robens particularly requested that I should try to get this message to the Prime Minister. If you wish to contact him at any time he can be reached through Johnson Matthey at 882 6111.

RH



Critical statistics on NCB

Extent of public financial support:

1960 - 80 Current grants £2,140m
 Capital written off 2,550m
 total £4,690m at 1978-9 prices
(source: Lords Hansard, answers to written questions)

1981-2 Current grants £560m
 Capital investment 550m
 total £1,110m

Total wage bill in '81 was c. £2,200m.

THUS public funds this year provide support of the order of half the total wage bill .

Since 1970 = 100: RPI rose by Nov '81 to 416
 price of coal rose to 643

Current average wages:	coal face & development	£158 p.w.
	including bonus of	36
	all underground workers	147
	including bonus of	29
	surface workers	129
	including bonus of	15
	all workers	143
	including bonus of	26

Plus average value of concessionary coal, etc £10 p.w. net

Electricity boards take over 70% of coal output

Coal accounts for over 80% of electricity generated

Cost of coal accounts for over half the cost of electricity to domestic consumers.

There is no problem of recruitment of miners - except that miners wish preference to be given to their sons whilst NCB wishes to preserve the right to choose best qualified from larger number of young people seeking employment.