

PRIME MINISTER

3 November 1986

UNION OF DEMOCRATIC MINeworkERS

Peter Walker's note of 31 October reminds us that the UDM has two prime objectives:

- Achieving the status of a national union: in reality, the UDM is still a local union - and feels it - but, if the UDM is to advance, it needs to be acknowledged as a national union on a par with the NUM; hence, the UDM's acute sensitivity over its status in negotiating with British Coal at the national level.
- Obtaining a competitive edge over the NUM in wage bargaining: this is best served by allowing maximum scope for improved working practices at individual pits, rewarded through productivity-related elements in the wage package.

Can these apparently conflicting objectives be reconciled? They can - and Sir Robert Haslam must strive to ensure that they are. On the UDM rests the security of electricity supplies and the hope that British Coal and an enlightened union will transform the prospects for the UK coal industry - leading ultimately to privatisation.

Surely, the trick is to use the national level negotiation between British Coal and the UDM to establish a coherent framework which will allow full scope for improving working practices at individual pits, and for rewarding the

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mineworkers in question through productivity-related elements in the wage package. Local negotiations would then concentrate on determining the most productive work practices at individual pits. Since the NUM will use their national negotiation to preserve standard work practices and a common pay package, the benefits of the UDM's enlightened approach will be exposed to the maximum.

The Meeting

The approach outlined above may be essentially what Sir Robert already has in mind. He has advanced cogent arguments in favour of the "50%+1" basis for wage bargaining. Accepting this, you could ask him:

- what he regards as British Coal's primary objective in conducting the wage negotiations with the two unions;
- how he intends to conduct the negotiations;
- what outcome he anticipates for the UDM.

You will, of course, want to be assured that Sir Robert is confident he can convince the UDM of the ultimate benefits for them of a "50%+1" basis for wage bargaining. We cannot afford to dishearten the UDM at this stage.

John Wybrew

JOHN WYBREW

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10 DOWNING STREET

MR. NORRGROVE

COAL MEETING

I have fixed this for Tuesday
4 November at 1715 and have
invited the Secretary of State
For Energy, Mr. David Hunt
and Sir Robert Haslam.

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7 October 1986