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cc Brigadier Budd

SECRETARY OF STATE FOR ENERGY
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Prime Minister (2)
MBA 25/8

Mark Addison Esq
Private Secretary to
The Prime Minister
10 Downing Street
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25th August 1987

Dear Mark,

As requested I enclose a note for the Prime Minister on the implications of the miners' ballot.

Yours

Stephen.

S HADDRILL
Principal Private Secretary



BRITISH COAL: INDUSTRIAL RELATIONS SITUATION

The NUM ballot result announced yesterday showed some 77.5% of those voting to be in favour of unspecified industrial action against British Coal's Code of Conduct. But 25% of the NUM membership did not vote and the UDM representing a further 21% of mineworkers has accepted the Code.

This result was anticipated by the Corporation. They last week invited ACAS to help overcome differences over the Code (ACAS has statutory responsibility for guidance on disciplinary procedures). Developments are now likely to await the outcome of meetings arranged by ACAS with the Unions (NUM on 27 and UDM on 28 August) and with British Coal (on 3 September). The NUM Executive is meeting the TUC in Blackpool on 6 September on the eve of the TUC Annual Conference possibly to press for a public display of TUC support by way of an emergency resolution. But the Executive's decision on any industrial action is also likely to await the outcome of the ACAS discussions.

The form of industrial action should this arise will be constrained by the degree of support it will be able to command. A selective overtime ban possibly aimed at the more profitable collieries is likely. Strike action is unlikely and, as pointed out in the Secretary of State's minute to the Prime Minister of 4 August, could expose the NUM to legal action by British Coal on the grounds that their ballot paper did not meet the statutory requirements for authorising a strike. Immediate strike action is being pressed in Yorkshire by unofficial NUM elements over the disciplinary case also referred to in the Secretary of State's minute. Support for this is doubtful; not least from the Yorkshire Area Executive of the NUM and public opposition has been voiced at a number of collieries. British Coal are considering the legality of any such strike action.



The Secretary of State, who is on holiday, has continued to keep in close touch with British Coal's Chairman on the situation. Sir Robert Haslam is of the view that despite the ballot there is no stomach among miners generally and the NUM Executive as a whole for industrial action over the Code. The Department is liaising with British Coal on any public comments we may be asked to make so as to be as helpful as possible to the Corporation. We shall continue with the line previously taken by the Secretary of State that while the Code of Conduct is a matter for the management of British Coal any action that damages the coal industry's reputation is likely to damage the interests of British miners.

On the coal supply situation, the CEGB inform us that coal stocks at power stations were 23.9 million tonnes as at 23 April. ^{August} They add that there are one or two factors, eg the recent increase in demand which make it likely that they will slightly miss their target endurance level of 27 million tonnes by late October/ beginning November. Nonetheless, the Board are confident that they will be able to meet demand over the nine months endurance period covering next winter.
