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SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH
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cc BG
Prime Minister's
DLN
S/11.

The Rt Hon John Major MP
Chief Secretary
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

4 November 1987

Dear John,

COAL INDUSTRY PAY

Peter Walker and David Hunt wrote to your predecessor on 7 November, 23 January and 13 April about British Coal's wage offer to the Union of Democratic Mineworkers (UDM) for 1986-1987. The package finally agreed included a second year element payable from this month and linked to the level of inflation.

British Coal last week agreed with the UDM to implement the second instalment of the deal from 2 November. The award is worth 4.28% on grade rates, equivalent to 3.4% on gross pay.

The Corporation in announcing the award made clear that it will not be paid to National Union of Mineworkers (NUM) members while the union's current overtime ban continues. Nor will it be backdated when the ban ends.

British Coal last week also received a claim from the National Association of Colliery Overmen, Deputies and Shotfirers (NACODS) for a flat rate £25/week increase (equivalent to about 10%) for all four grades represented by the union. While a final decision has not yet been taken, I understand the Corporation intend to offer no more than an inflation related increase. I have asked my officials to let yours have the details as soon as they become available.

I am copying this letter to the Prime Minister, Members of E(PSP) and to Sir Robert Armstrong.

Yours
Er,
Cecil

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CECIL PARKINSON

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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Cecil Parkinson MP
Secretary of State for Energy
Department of Energy
Thames House South
Millbank
London
SW1P 4QJ

17 November 1987

Dear Cecil,

N.B.M.
COAL INDUSTRY PAY

Thank you for your letter of 4 November.

The position reached between British Coal and the UDM is satisfactory and I hope a similar deal can be reached with the NUM once their overtime ban has ceased. It remains to be seen how this will be affected by Mr Scargill's decision to resign and seek re-election.

The claim by NACODS is totally unacceptable and I trust British Coal will stick to an offer in line with inflation. I would be grateful for details as soon as British Coal make them available.

I am copying this letter to the Prime Minister, members of E(PSP) and to Sir Robert Armstrong.

Yours Ever,
John
JOHN MAJOR

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