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SECRETARY OF STATE FOR ENERGY
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Prime Minister (2)

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Tel: 01 211 6402

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
London SW1

2 November 1982

Dear Chancellor,

NUM WAGE CLAIM

As I informed Cabinet this morning, the official outcome of the ballot is that 39% of the votes were cast in favour of authorising the NEC to take strike action, if necessary, on both the wage claim and closures, while 61% voted against. The Union have now accepted the wage offer and have called off the overtime ban.

I attach a table showing in detail the way the men voted this time compared with earlier in the year. Overall 6% fewer of the Union's members voted for a strike now than did so in January. The swing away from a strike was particularly noticeable in Yorkshire, Nottinghamshire, Derbyshire and Durham. But some areas were more ready to strike now, notably Kent and Scotland, where there are current closure issues (Snowdown and Kinneil) adding to traditional militancy. South Wales also gave greater support for strike action. In sum, the peripheral areas, where most of the uneconomic capacity is to be found, have (with the exception of the North-East) provided increased support for strike action, while the central areas (including Yorkshire) where closures are much less of a threat, have become more moderate. This indicates the importance of the closure issue in the minds of mineworkers most likely to be affected.

The outcome is a devastating defeat for Scargill personally given the leading role he played in the campaign. A number of factors combined to bring it about. The Board pitched the pay offer at the right level. It seemed all the more attractive in the light of the falling RPI figures combined with your forecasts about the future level of inflation. As was widely reported in the newspapers, many of the miners (and their wives), who were primarily interested in pay, were not prepared to face the financial consequences of a long strike (the large power station stocks were particularly important in convincing them that any strike would be a long one). Both the linking of the pay and closures issues and the imposition of an unpopular overtime ban boomeranged against Scargill. Finally, the Board carried out a very effective PR campaign, while Scargill's demagogic style was clearly out of tune with the great majority of his membership.

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I should like to thank you and other colleagues most warmly for keeping a very low profile during the ballot campaign. The Board have emphasised to me how vital this has been in achieving the right result.

In view of the size of the majority I do not think that colleagues this year need avoid drawing attention to the real nature of the offer, which did in fact receive some publicity before the ballot. The NUM ballot paper itself stated that the offer was equivalent to 7.2% on base rates (plus a little on the incentive scheme). I believe we too should now use this figure. We should also make the point that the increase on overall earnings is equivalent to 6.5%, while continuing voluntary redundancy will mean that the impact on the NCB's total wage bill will be lower still. I certainly propose to use these points in the context of the other energy nationalised industry claims. I have asked the NCB to debrief their counterparts in other nationalised industries on these points in full.

I am sending copies of this letter to the Prime Minister, other members of E, George Younger, Nicholas Edwards, and to Sir Robert Armstrong and John Sparrow.

Yours sincerely,

S. D. 

PP. NIGEL LAWSON

(Approved by the Secretary of State
and signed in his absence).



<u>NUM AREA</u>	<u>Percentage of Votes for</u> <u>Strike Action, if necessary</u>	
	<u>January 1982</u>	<u>October 1982</u>
Cokemen	32	22
Cumberland	52	36
Derbyshire	50	40
Durham	46	31
Durham Mechanics	32	22
Durham Enginemen	21	11
Kent	54	69
Leicestershire	22	13
Midlands	27	23
Northumberland	37	32
Northumberland Mechanics	32	26
North Wales	18	24
North Western	40	44
Nottinghamshire	30	21
Officials & Staff	14	10
Power Group	17	15
Scottish	63	69
Scottish Enginemen	54	53
South Derbyshire	16	13
South Wales	54	59
Yorkshire	66	56
National Average	45	39