



10 DOWNING STREET

From the Private Secretary

30 November, 1981.

NUM Wage Negotiations

The Prime Minister has seen a copy of the Secretary of State for Energy's letter to the Chancellor of 25 November about the NUM wage negotiations.

She has commented that, since the NUM have "come close to grasping" the fact that the offer amounts only to 7.3% on earnings, there seems to be a strong case for our being more realistic about mentioning that figure alongside the 9.1% basic rates figure. She has also commented that she very much agrees that the position of the negotiators will be made harder by Wednesday's public expenditure announcement. She concludes, therefore, that the more that can be held back, the better.

I am sending copies of this letter to the Private Secretaries to the members of E, Muir Russell (Scottish Office), John Craig (Welsh Office), David Wright (Cabinet Office), Gerry Spence (CPRS), and David Watts (Department of Energy).

M. C. SCHOLAR

John Kerr, Esq.,
HM Treasury.

VS