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P.M.'s Meeting with Tony Christopher of
Inland Revenue Staff Federation

Prime Minister

DEC 1984.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.1.85							
10.1.85							
PREM 19/1607							

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CC MASTER

NOTE FOR THE RECORD

Prime Minister's Meeting with Mr. Christopher

The Prime Minister saw Mr. Tony Christopher on Thursday 10 January at 1800 hours. I was present.

Mr. Christopher spoke mainly about the Civil Service and the Inland Revenue. His remarks fell under two general headings. First, he expressed his concern over the advance of the left in the majority of Civil Service unions, and attributed this to the failure of moderate trade union leaders to obtain from the Government what the members wanted. In this connection, he urged particularly the implementation of the Megaw Report. Off the record, he said that he would be perfectly content with alternative forms of arbitration (mentioning flip flop arbitration) and accepted that there would have to be a Parliamentary override.

The second main point which Mr. Christopher made was that management needed to be improved in the Civil Service. He had commissioned a survey of stress among tax officers in the higher grade, and this showed that stressed reached levels causing anxiety. This was partly due to the imposition of manpower ceilings which made no allowance for the extra demands made by the introduction of new technology (which he supported). It was made worse by the diversion of the best people to planning the new system so that the routine work of the tax officers was left to the less able. He described the Inland Revenue as being in a mess, as indicated by the high backlog of unanswered correspondence.

The Prime Minister talked frankly with him, and commented in particular that she did not see the trade unions as having simply a "getting" role: they should also have something to give. Mr. Christopher finished up by saying that his

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position was quite close to that of the Prime Minister when she spoke as a employer; but he thought that the Government's role as employer had been allowed to be damaged by its role as Government.

The meeting ended at 1945 hours.

H.E.R.B.

10 January, 1985.

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DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1607</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Paper 1AG(85)1, 9 January 1985</i>	
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Tuesday
January 8

8 1985

RS TO THE EDITOR

Coalmining questions awaiting reply

*From the General Secretary of the
Inland Revenue Staff Federation*

Sir, Earlier this week Mr Michael Eaton, of the Coal Board, spoke of a need for a negotiated settlement irrespective of the numbers of miners who return to work.

His wisdom should not be allowed to go by default, but it seems to me that any settlement is highly unlikely unless and until there is sufficient clarification of Britain's future energy policy.

There is now a strong case for much more information than we have about the future balance between the major sources of energy; especially we need to know the basis on which that balance is to be struck.

As it is, we are unable, any of us, to see the whole picture. Yet miners are being urged to come to terms with a situation so unclear that it remains distinctly threatening to them.

To the best of my knowledge, it has never been stated authoritatively that, over the next decade, there will not be a 70,000 to 100,000 reduction in the number of miners. Whatever reduction may be in prospect, again, it has never been explained or justified except on the now very questionable and certainly controversial concept of the "uneconomic pit."

So what are some of the areas upon which light should be shed? To start with there is energy pricing policy, the impact of the Government's "yield on capital" targets and the borrowing limits placed upon the NCB. By definition these have to be arbitrary and artificial. The CEBG, I understand, could have saved £85 million in 1983-84 burning coal instead of oil. The price of electricity has gone up 60 per cent since 1980 against a retail price index rise of 39 per cent.

There is the issue of coal imports. It is alleged that, currently, most that comes to Britain is dumped. But extensive new overseas supplies will

soon be available, given the large investment by oil companies in coalmining, notably in cheap-labour areas - South Africa and South America.

Of course we must ensure both national security and supply security; but there are environmental and social considerations as well as economic ones. So it is pertinent to enquire whether present policy is influenced, and if so to what degree, by the huge revenue yield from petroleum tax.

Lastly, it is surely not good enough to say that Mr Scargill's absolutism on "uneconomic pits" is untenable without, at the same time, declaring as unsatisfactory the NCB's very doubtful formula.

A pit's economic performance is clearly related to the scale of investment in it. Calculations of the cost-effectiveness of further investment should embrace the social and DoE/DHSS costs which would arise without it.

We are entitled to expect the minister, now that a strike (estimated to have cost £2.4 billion so far) has brought the whole energy issue to the surface, to provide answers.

May I urge Mr Walker to reflect. Energy policy is critical for the whole economy. We need a blueprint of that policy on to which could be grafted a revised Plan for Coal.

If the secretary of state convinced those immediately concerned that he would bring this about and in an acceptable way then perhaps the National Coal Board could suspend the closure plan *sine die* and the National Union of Mineworkers would accept that there will be some closures for reasons other than exhaustion or safety - and return to work.

Yours faithfully,
TONY CHRISTOPHER,
Inland Revenue Staff Federation,
Douglas Houghton House,
231 Vauxhall Bridge Road, SW1,
January 4.



Letter from Mr. Christopher
on the miners' strike at flag B.

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Ref. A085/58

MR BUTLER

You asked for a brief on the Civil Service trade unions, before the Prime Minister sees Mr Tony Christopher on 10 January.

2. Mr Christopher is now one of the longest standing General Secretaries in the Civil Service trade union movement. He has been General Secretary of the Inland Revenue Staff Federation since 1976. He has served on the TUC General Council and various TUC committees. He has also taken a keen interest in penal matters, as a member of the Council of the National Association for Care and Resettlement of Offenders and of the Home Secretary's Advisory Council for Probation and After Care.

3. Mr Christopher is a sensible and moderate trade union leader, who is now deeply pessimistic about the way he sees his own union and other Civil Service trade unions going. In this respect he may be described as the cassandra of the Civil Service trade union movement, though other trade union leaders share at any rate some of his pessimism. He has had trouble with left-wing extremists in his own union, and he can see the way in which other Civil Service unions - notably the Society of Civil and Public Servants and the Civil and Public Service Association - have become dominated by left-wing groups. The latest manifestation of that has been the long running dispute in the Department of Health and Social Security at Newcastle, which has been kept going by Militant Tendency people at Newcastle despite the attempts of national leaders of the CPSA (notably Mr Alistair Graham) to persuade CPSA members in Newcastle to accept a reasonable settlement.

4. I expect that Mr Christopher will argue that, unless the Government can show some degree of flexibility in the 1985 pay claim for the Civil Service, there is a great danger that moderate trade union leaders will become even more powerless and the influence of left-wing extremists will grow still further.

Latest note
on activities
of the left in
CPSA at
flag A



5. The wounds in the Civil Service trade union movement created by the decision to deunionise GCHQ have by no means healed. None of them like losing members, and the subscription income that they bring. They keep referring to the Prime Minister's statement, at one of her meetings with the trade unions, that the gap between them and the Government was unbridgeable by words; and they feel that the Government's unwillingness to reach an agreement with them reflects a lack of trust in the union leadership which they resent. That being said, however, they recognise that they have exhausted all the steps open to them to challenge the Government's decision in the British courts. They will be doing their best to keep the issue alive, in the hope of reversing the decision if and when there is eventually a change of Government. But none of them expects GCHQ to be a major issue in Civil Service industrial relations, unless the Government has to dismiss anybody at GCHQ: in that event there could be calls for industrial action in support of the unions, a fight to protect the rights of those dismissed, though it would probably not amount to very much.

6. The Civil Service trade union movement is deeply divided on the 1985 pay claim, and it seems likely that the Government will have to negotiate separately with several groups of the unions. The CPSA has decided to go for a claim for a flat rate increase of £15 a week all round; other unions will be looking for a percentage increase, though there may be differences between them as to how it should be distributed. This fragmentation of the union side will certainly complicate the negotiation of the 1985 pay claim. I do not think that union leaders foresee industrial action on the scale of 1981, but they do foresee spasmodic bouts of industrial action in different Departments and different parts of the country, some of it outside the control of national trade union leaders, and some of it possibly ahead of negotiations, by way of "warning" to the Government.

7. Mr Christopher may well argue that the biggest single thing that the Government could do to defuse discontent and industrial action would be to promise the right to go to arbitration on the



1985 pay claim. The refusal of the right to arbitration was one of the principal causes of trouble in 1984. Clearly the Prime Minister will wish to do no more than listen and take note, if Mr Christopher makes that point.

8. Mr Christopher may refer to the general problem of morale in the Civil Service. As the Prime Minister knows, there are signs of increasing wastage in some key grades, including some of the younger and brighter administrators, based on three factors:

1. the deterioration of promotion prospects;
2. the belief that Civil Service pay has declined over the last few years in relation to the pay of comparable people outside;
3. the feeling that the Civil Service lacks public esteem and respect for its work, and in particular that Ministers do not value the work of the Civil Service and have been too ready to denigrate the Service in public.

9. On the question of promotion prospects, the Prime Minister could recognise that one of the effects of the reductions in the Civil Service has been to damage promotion prospects for those who were recruited in the 1970s. We recognise it is a serious problem, and one that is not easy to remedy; but we are thinking about it hard, and are doing what we can (within limits) to remedy or offset it. In that context, the introduction of performance-related bonuses may serve to provide some of the incentive which would otherwise have been provided by the prospects of promotion; but the trade unions do not welcome performance-related pay, since they fear that a minority of civil servants will benefit at the expense of the majority of their members.

10. On pay, the Prime Minister will not want to say very much ahead of the forthcoming negotiations. In theory, the 3 per cent



is a cash limit, not a limit of pay-increases, and does not preclude the negotiations of pay increases at a higher figure if they can be paid for by reductions of staff numbers. But that is not an argument designed to appeal to the trade unions.

11. As to the Civil Service image, I think that it would be very helpful if the Prime Minister could acknowledge her appreciation of the fact that the target for the reduction of Civil Service numbers from 730,000 to 630,000 by 1 April 1984 was met, and her recognition that the Civil Service have accepted the need for improvements in efficiency and the changes associated with that. Anything that the Prime Minister can say to record her appreciation of the way in which those changes have been accepted, and of the continuing devotion and integrity of the great majority of civil servants, will do a disproportionate amount of good.

R
Approved by
ROBERT ARMSTRONG
and signed in his absence

8 January 1985



Handwritten initials: J. B.

10 DOWNING STREET

From the Principal Private Secretary

Sir Robert Armstrong

You may remember that I mentioned to you the suggestion from Emma Nicholson that the Prime Minister might see privately Mr. Tony Christopher of the Inland Revenue Staff Federation.

This meeting has been arranged for Thursday, 10 January, at 1800. The Prime Minister would not wish the fact of this meeting to be at all widely known, but, subject to this, it would be helpful to have any briefing which you may think it useful to provide on relations with the Civil Service unions in general and Mr. Christopher in particular.

Handwritten initials: F.R.B.

24 December, 1984.

Handwritten mark: KC

D. R.

MR. BUTLER

cc Mr. Sherbourne

I have arranged for Tony Christopher of the Inland Revenue Staff Federation to come on Thursday 10 January at 1800 hours. You will remember that this request came through Emma Nicholson. I have explained to her that she will not be able to attend the meeting herself. But it is possible that she will actually bring Mr. Christopher to Downing Street. She will let you have a short background note a couple of days before the meeting. I gather you have kindly agreed to sit in on this meeting.

CR

19 December 1984



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