

AUTHORITY OF GOVERNMENT

Minutes of a meeting held at 6.15 p.m.
on Wednesday 26th January 1977 in
Lord Carrington's Room.

Present: Lord Carrington (in the Chair)

Mr. Gilmour,
Mr. Hardy,
Mr. Peyton,
Mr. Waldegrave,
Mr. Younger,
Mr. Douglas (Secretary)

Apologies: Mr. Forman, Lord Jellicoe, Mr. Sumption.

Guest: Sir Campbell Adamson.

Lord Carrington welcomed Sir Campbell Adamson, briefly explained the objectives of the group saying that they were trying to learn from the experience of 1970-74 how to avoid confrontations that would damage the authority of government and how to deal with confrontations when and if they became inevitable.

Sir Campbell Adamson by way of introduction, said that he hoped that the next Conservative government would not become so obsessed with the dangers of confrontation that they had to be avoided at all cost. If the slightest threat of confrontation had to be avoided, negotiation became impossible. Referring to the last confrontation with the miners in 1973/4 he said that one of the difficulties he had encountered at the CBI was the sudden break in the continuity of relations towards the end of the period. The CBI had always had close relations with the Department of Employment but as the crisis developed authority seemed to be transferred not only to other ministers but even more important to other officials who had not the same breadth of contacts nor experience.

Lord Carrington asked whether Sir Campbell felt that the government and the employers were too inhibited in putting their case across to the public. Sir Campbell replied that there was certainly a very widespread feeling in the CBI that the Coal Board had not put their case across well enough. On the other hand he thought it was very difficult to see how the government case could have been put across better after the Neddy meeting.

Mr. Waldegrave, referring to Sir Campbell Adamson's earlier point said that a good deal of the evidence the group had received was that there needed to be special staff and special arrangements to deal with a crisis situation, was Sir Campbell's point that the cost of this was a break in continuity? Sir Campbell replied that he entirely agreed that there needed to be crisis management but this should not involve isolating the officials who had been in touch with the parties.

.../ Replying to a question

Replying to a question from Mr. Gilmour about the public relations of the nationalised industries, Sir Campbell Adamson said that he thought these had improved and to some extent since the Labour Government took office. He thought one of the keys was to give the nationalised industries a greater sense of control over their own affairs including prices. Mr. Peyton said that the management of the nationalised industries was subject to more interference than almost any other form of industrial management and moreover the Chairmen of the nationalised industries were paid less than people with equivalent responsibilities in the private sector. The jobs were becoming increasingly unattractive and it would be increasingly difficult to find people of the requisite calibre to take them on.

Lord Carrington asked whether the miners were in such a strong position. Sir Campbell Adamson replied that he thought it would always be very dangerous to tangle with the miners. They were remarkably impervious to public opinion; even the TUC had surprisingly little contact or influence over the majority of miners leaders dating from the time of the 1920s when they felt they had been let down by the TUC and, of course, their position became stronger the more the British economy became dependant on coal as the principal or, in some cases, sole source of energy. Mr. Peyton thought that the alternative to confrontation was to broaden out the basis of negotiation - for example in discussing wages one could bring in the effect of a rise in labour costs on the profitability and future of the less economic coal fields such as those in Scotland. Mr. Younger pointed out that this would have considerable political repercussions in Scotland. A point that tended to be glossed over was the different political incentive when a Labour Government was in office to when a Conservative Government was in office. When a Labour Government was in office wage restraint might be as irksome but the political incentives towards responsibility.

Sir Campbell Adamson said that he thought that one of the turning points in the crisis was the Neddy meeting at which Sir Sidney Green had begun to sketch out the possibility of treating the miners as a special case. The suggestion had certainly taken the CBI by surprise and possibly the Government too and both Government and CBI had immediately reacted negatively. He thought that things might have turned out differently if there had been more time to consider Sir Sidney Green's offer. Lord Carrington replied that this would have meant ignoring the strength of grass roots opinion in the Conservative Party which after the Wilberforce settlement would have been highly antagonistic to any suggestion of treating the miners again as a special case.

On a more general issue Mr. David Hardy asked whether Sir Campbell thought there should be more opportunities for Ministers to make contact with members of the CBI. Sir Campbell Adamson replied that there had been one or two occasions on which Ministers had addressed the CBI conference although oddly enough as far as he could remember these occasions had been with Labour Ministers. He thought equally important were opportunities for industrial leaders individually to be taken into the Government's confidence. When in Opposition quite close relations were developed between Conservative leaders and leading industrialists but no doubt because of competing pressures of their time these

contacts became more remote when the Conservatives became Ministers.

Date of Next Meeting

As Lord Carrington will be away for five weeks no date was fixed for the next meeting and a note of the next meeting will be circulated in due course after his return. In the meantime the Secretariat will be preparing and circulating a first draft for the Report.