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16 A.

NOTE FOR THE RECORD

cc Mr Gregson

NCB Manpower

The Secretary of State for Energy discussed with the Prime Minister today the plans for closing uneconomic pits and reducing NCB manpower. The current plans envisaged a net reduction of manpower of 28,000 over the next two years. Mr. MacGregor felt that this, which was consistent with achieving break even for NCB by 1988, was too protracted a timetable. He wished to raise the target by 16,000 to 44,000 over two years. As there are only 40,000 miners aged over 50 still working for NCB, this could not be achieved without redundancies amongst miners aged less than 50. Mr. MacGregor therefore proposed that in addition to the current provisions of the RMPS for the over-50s there should be a two year programme offering special redundancy terms for miners aged less than 50. If £1,000 were offered for every year of service, the cost would be £137m. This would save NCB £120m. a year.

The Secretary of State for Energy said that, on the basis of these figures, the proposal made a good deal of sense. He was worried that without it there would have to be significant redundancies of miners aged under 50 which would greatly strengthen Mr. Scargill's position. The main difficulty was the possible repercussive effect on other parts of the public sector.

He therefore suggested that the Prime Minister should hold a meeting with the Ministers affected. He would send the Prime Minister a note setting out the proposal but would brief the other Ministers invited to the meeting orally.

The Prime Minister agreed to this suggestion.

AT

12 January 1984

Andrew Turnbull

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