

24 September 1984

PRIME MINISTER

I saw Mr G Whalen this morning at Talbot in Birmingham. We discussed the coal situation and his memory of the coal industry in Scotland in the 1960s when he was an Area Industrial Relations Director. Peter Warry knows him, and points out that he is a negotiator at heart and reveres his former BL boss, Pat Lowry, who is now at ACAS. Below is a synopsis of his comments.

Not the
best
credentials

Do you think the NCB central management is strong enough?

Is Ian MacGregor beleaguered?

NCB is a culture based on almost 40 years of NCB/NUM co-existence and co-determination. All the senior managers are used to working in conjunction with NUM officials and in striking a deal - whatever the starting bid of the NUM leadership.

Cowans used to be hard line but well immersed in the bipartite culture - a culture which will recoil from a prolonged confrontation. Smith is a normal give-and-take deals man. MacGregor is too old to do all the detail or to lead in very arduous and tiring negotiations. He needs a good Chief Executive.

Do you think Ian MacGregor should strengthen his management team? If so, who? Could he mix better insiders with one or two outsiders?

Yes he should. Two Area Directors - Bert Wheeler of Scotland (who has impressed others) and Mr Archibald - are good men who could be promoted to MacGregor's central team. He also needs a Chief Executive and a couple of good outsiders.

Did you frequently close pits on economic grounds? What did you do with the men during the big rundown in numbers in the 1960s?

Pits were frequently closed in Scotland in the 1960s because they were uneconomic, and the NUM knew this had to happen. Men were transferred to other pits, in Yorkshire as well as in Scotland itself. Investment in the expensive new pit at Rothes was a failure: after 5 years, the pit had to be closed as the seams were unworkable, and a great deal of money was lost. This was an attempt to create some new Scottish mining jobs.

How far up the NCB structure does unionisation extend?

To Mine Manager level: all Mine Managers are members of BACM.

There have been criticisms of NCB PR. What do you think of it?

Poor. There seems to be no plan. The PR Director should have an action plan for every week, even every day, lining up national and local news slots and NCB responses. They have failed to identify internally who is telegenic and use them. Ian MacGregor has allowed the totally false image of him as a butcher to grow up.

Do you think the NCB have failed to see the opportunities for news creation, whereas Scargill has seen and exploited them all too cleverly?

Yes, that's right. We see too much of Scargill and not enough of the NCB case.

How do you think a return to work can be organised? Can we build on Wheeler's experience at Bilston Glen?

The return to work has to be initiated at Area Director level. Ian MacGregor should meet his Area Directors regularly, and through them organise the sounding out of opinion, the transport, speeches and talks by managers to groups of miners, direct appeals by letter etc over the heads of the NUM. Only by talking directly to miners can managers have any chance of success.

The NUM seems to be fragmenting on an Area basis. Can't NCB manage its affairs on an Area basis, and shouldn't it do so as a response to the fissures in the NUM?

The Areas now have the people necessary to undertake all mine and output planning, and have the geological expertise. Yes, there should be as much decentralisation to Area management as possible, and that is happening.

The one function that should be moved in that direction, but where it will be difficult, is pay negotiation.

Sales to the CEGB would have to remain a central NCB function. [Comment: Areas could have direct power station contracts; this obstacle to regionalisation is overstated.]

Can you ever negotiate with someone like Scargill? How do you view talks?

When the militant cell in Cowley was tackled in the late 1970s, it was done by direct appeals to the men over the heads of the unions, and long and tiring negotiation, arranging for the other less militant union negotiators to split off from the Workers Revolutionary Party and Trotskyite officials.

Management always have to appear to be ready to talk and have to blame breakdown on the other side. In this case,

ACAS should be brought in in its conciliation rôle, certainly not as an arbitrator.

But isn't there a danger in more talks? It might deter miners from returning to work. It might lead to an unacceptable compromise or another propaganda war.

There is always a danger in negotiation. Negotiators naturally strive to settle, that's what they're there for. You must have a tough man outside the talks who is phoned before any new form of words is proposed or agreed, to check out that the negotiators haven't become too tired or cosy. Management should be better disciplined. It must try and persuade two or three key figures on the other side before entering the formal talks. In this case, McGahey and Heathfield have to be detached.

Why do you think this will be settled by a form of words and not by a return to work?

Because the return to work will be too slow.

But how can MacGregor ever find a form of words Scargill will accept?

He has to find words acceptable to others who will out-manoeuvre Scargill.

Do you find surprising the NCB decision to take such a tough line on NACODS and risk a strike?

The principle at stake is important, but the risk is very great. It is very surprising that MacGregor only plans to meet NACODS after the ballot has been conducted.

Conclusions

Mr Whalen confirmed what we feared about NCB/NUM culture.

His positive programmes of:

- a. strengthening MacGregor's management team with 2-4 new people, both internal and external;
- b. a PR programme for planning media events and fielding good people;
- c. Area Directors concerting a hearts and minds campaign for the miners - for the return to work;
- d. reinforcing current moves to decentralisation to Area management for the longer term;
- e. dislike of a row with NACODS

are all reinforcements of the collective view built up here during the dispute.

The surprise element was the love of ACAS, midnight oil and more negotiation. I found this the least satisfactory of his comments, both because it was unclear how Heathfield and McGahey could be split off, and at what price. He seemed to want to offer them an almost blank cheque, but was unsure whether they would even want to cash it.

Other Comments

Mr Whalen argued that many moderates in the trade union movement are dying to see Scargill defeated: they have been fighting his type from within for many years, and are embittered by them.

In negotiation, management should be fair and firm. He also agreed that consistency should be added to these qualities.

In the motor industry, there had been an important improvement. Since 1980, he has been at Talbot. Productivity in 4 years has risen 50 per cent. Management has recaptured the right to manage. Foremen explain monthly (with videos) the progress of the company to all employees. Pay has only beaten price rises thanks to productivity-related bonuses. Management tries to win hearts and minds by a programme of meetings, talks, direct mailshots, etc.

He has two grumbles. One is fair: the Government should be more forceful in negotiating about the asymmetrical tariffs on cars with Spain. The other is the usual special pleading against taxes: he would like car tax abolished.

A handwritten signature in dark ink, appearing to read 'John Redwood', written in a cursive style.

JOHN REDWOOD



Coal file

10 DOWNING STREET

From the Private Secretary

Prime Minister ①

John has done a comprehensive job
extracting the Whalen's views. There would
be no advantage in seeing him
personally.

Agree?

AT

24/9

Edwards