

PRIME MINISTERMEETING WITH MR. MACGREGOR

Unfortunately, we have been able to set aside only half an hour for this meeting. You should question Mr. MacGregor closely in the following areas:

i) Closures and Redundancies

- What is his estimate of the core of economic deep mine capacity around which the UK coal industry needs to be restructured? Has he translated this into pit closures and manpower reductions?
- How does this square with Mr. Eaton's recently reported statement that "we now have about the right sort of numbers of people in the industry, but a few more pits will have to close on the basis of economics"? Are these just soothing noises to encourage the shake-out of manpower through voluntary redundancies, to facilitate agreement on the modified Colliery Review Procedure, and to deny Scargill the ammunition he needs to retain control over the NUM Executive and obtain the new Rule Book?
- How many men are now on colliery books and how does that compare with the number before the strike? How many applications for redundancy have there been and how many of these applications have now been approved?
- What is the policy for running down manpower? Is it to match redundancies with pit closures or is the aim to maximise the outflow somewhat in advance of closures?
- What closure decisions have been taken in relation

to damaged pits?

- What is the state of play on other pits? Has the Board begun to feed uneconomic pits into the early stages of the Review Procedure, and if not why not?

ii) Review Procedure

- What is the state of negotiations with the unions?
- What form should the additional stage of the Review Procedure take; three wise men or a single inspector?
- Has any deadline been set for reaching agreement? (1 June was suggested in the MacGregor/Willis document which the NUM ultimately rejected).

iii) NACODS (to be adjusted if result of the ballot is available by Monday)

- How did it come about that NACODS has managed to achieve such support when the Board's supposed position is that it will honour the agreement and when men should still be anxious for additional earnings?
- (if NACODS win the ballot)

How will the NACODS executive use their mandate?
What impact would an overtime ban have?

iv) Board Appointments

- How does he see the future of the Deputy Chairman? Has the time now come for Mr. Cowan to make way for a younger man?
- Does he wish to continue with the present style which effectively combines Chairman and Chief

Executive or does he wish gradually to move to a more non-executive style of Chairmanship?

- How does he assess the various internal candidates?
- Does he have any outsiders in mind who could be brought in to strengthen the Board?
- Who will look after the Board's public relations?

v) Open Cast

- What plans do the Board have to expand open cast activity? Are there any sites which have planning permission but are not yet being developed or where output is still below the maximum authorised?

vi) Treatment of Working Miners

- Could the Board be a bit more flexible over the cases of working miners such as Mr. Fjaelberg who took a prominent position in the back to work movement?

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Andrew Turnbull
10 May 1985

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MR TURNBULL

File with
LAT

10 May 1985

COAL - QUESTIONS FOR IAN MACGREGOR

1. Does he now have an estimate of the core of economic deep-mined capacity around which the UK coal industry needs to be restructured - of the order of 70 mt pa? Has he translated this into pit closures and manpower reductions - upwards of 50,000?

How does this square with Michael Eaton's recently-reported statement that: "We now have about the right sort of numbers of people in the industry, but a few more pits will have to close on the basis of economics"? Are those just soothing noises to encourage the shake-out of manpower through voluntary redundancies, to facilitate agreement on the Modified Colliery Review Procedure, and to deny Scargill the ammunition he needs to retain control over the NUM Executive and obtain the new Rule Book?

2. If so, how many more closures of irretrievable pits are in prospect before reverting to the Modified Review Procedure? What is the target date for having the Modified Procedure agreed? Are the parties divided over fundamental issues? What does the NCB intend to do if early agreement cannot be reached?

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3. Where do we stand on decentralisation, profit incentives for area and pit managements, and substantially-increased output incentives for faceworkers - the switch to a business-orientated US approach? Are there plans to change not only the structure but the culture of the industry? When will all this be unveiled and the initiative recaptured? (At present, we are steering an unhappy course between not antagonising the miners, thereby strengthening Scargill's hand, and disappointing our supporters at the apparent futility of the strike.)

4. Where have we reached with more opencast activity?

AScola

JOHN WYBREW

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