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P. Gregson

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NOTE FOR THE RECORD

NATIONAL COAL BOARD

The Secretary of State for Energy came to see the Prime Minister today to express his concerns about the Coal Board and about the performance of Mr. MacGregor as Chairman. This largely followed the account given in his minute of 9 May. Mr. Walker made the following criticisms:

- i) It was very difficult to get from the Chairman a clear picture of his intentions on closures and redundancies.
- ii) Mr. MacGregor's handling of the dispute with NACODS was very unsure. He seemed to be more set on having a showdown with NACODS than on securing agreement on a revised colliery review procedure. In principle, the NACODS ballot was one which ought to be decisively rejected; in practice, as a result of the Board's mishandling, it could well succeed. The handling of publicity generally erratic. For a time the Board had maintained no public presence at all but it had now reacted strongly though probably too late.
- iii) It was hard to reach any understanding with Mr. MacGregor about future Board appointments.

In summary, Mr. MacGregor appeared to be erratic and indecisive.

Mr. Walker said the best outcome for the Government was for Mr. MacGregor to serve his remaining term but in increasingly non-executive capacity. For the Chairman to leave now would appear as a vindication of the NUM/Labour Party position that his appointment was misguided. Mr. Walker believed that the next Chairman should have a coal industry background and be someone who could handle successfully the public relations aspects of the job. Beneath him there could

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be a Chief Executive brought in from outside, perhaps with a financial background. By contrast, the Chairman seemed to prefer outsiders for the key Board positions. In particular he favoured Mr. Newbigging whom Mr. Walker regarded as unsuitable.

Mr. Walker said he was anxious to replace the Deputy Chairman, Mr. Cowan, as soon as possible. Mr. MacGregor had at one stage agreed that this should be done quickly but he was now procrastinating. Mr. Walker envisaged replacing Mr. Cowan with one of the existing senior managers on the Board who might subsequently go on to become Chairman. The main contenders were Mr. Eaton, Mr. Edwards, Mr. Moses and Mr. Wheeler. Mr. Eaton was well known publicly, had proved a good communicator but had a tendency to flap under pressure. Mr. Edwards had been successful on the marketing side but had no experience of production. Mr. Moses had been tough and successful in North Derbyshire but had no experience at national level. Mr. Wheeler, though extremely able, had generated a great deal of hostility with the unions which probably disqualified him for promotion in the immediate future. He was, however, young and would be a contender in a few years' time. On balance, Mr. Walker favoured Mr. Moses and he suggested that the Prime Minister should find an opportunity to meet him.

Mr. Walker mentioned that Mr. Siddall's health had improved greatly following heart surgery but to reinstate him at the Board would appear as a reversal for the Government.

The Prime Minister said that she would shortly be meeting Mr. MacGregor and would question him hard on:

- closures and redundancies
- the review procedure
- the dispute with NACODS
- Board appointments

AT

Andrew Turnbull

10 May 1985