

PRIME MINISTER

BILATERAL WITH MR. WALKER

Mr. Walker is coming to see you at his request on Monday. The main topic for discussion will be the handling of Sir Ian MacGregor's forthcoming book. The Sunday Times will start to serialise this on Sunday 21 September and the book itself will appear at around the end of the month. I asked the Department of Energy a week or two ago to try to obtain a copy of the book for us through Mr. Walker whom they believed at that stage had one. It now appears that even he may only have seen extracts, though he has not been willing to discuss the position with his office in any detail.

The belief in the Department of Energy is that the book is highly critical of Mr. Walker, but complimentary to you. They also understand that it is egocentric, describing how Sir Ian MacGregor saved BL, BSC and the National Coal Board. They think it is unlikely to contain much that is new and will probably be a two day wonder. (The article from the Sunday Telegraph, attached, may be indicative.)

Nevertheless, there are risks to the Government in the publication of the book. Above all, it must be right for the Government and Mr. Walker not to be drawn into an argy-bargy with Sir Ian MacGregor. One possibility would be for the Department of Energy to issue a short and dignified statement about the book and then to refuse to discuss it further. But how exactly it is to be handled cannot really be decided until we know what the book says.

It is also worth bearing in mind that Ned Smith, former Industrial Relations Director of the NCB, is producing a book which is likely to be published in October or November (which will be strongly antagonistic towards Sir Ian

MacGregor) and John Lloyd, formerly with the Financial Times and now editor of the New Statesman, is producing a book to be published about the same time.

Mr. Walker may also mention to you concerns about the handling of environmental issues. Relations with the Department of the Environment appear to be not very satisfactory despite (they say) considerable efforts by Department of Energy. Mr. Walker is worried both because there are difficulties relating to the Waddilove Report on claims for coal subsidence (I know no more details) and because he and Mr. Waldegrave have to work together in the Strategy Group on Energy and the Environment.

DN

(DAVID NORGROVE)

12 September 1986

DCABKM

How Ian MacGregor defeated the enemies within

By Graham Turner

LAST WEEK the aged American business practitioner who looks like Mr Magoo and behaves like General Patton said farewell to the gloomy corridors of British Coal. Sir Ian MacGregor leaves behind an industry no longer a branch of the social services, no longer in the grip of the surrender culture which was so deeply entrenched when he arrived.

From the beginning his appointment was surrounded by controversy, and the controversy is not over yet. His memoirs, "The Enemies Within," are coming shortly.

In them, he claims that he and a colleague on the BL Board, not Sir Michael Edwardes, should be given credit for the sacking of Derek—Red Robbo—Robinson, the Communist convenor at the company's Longbridge plant in 1979; makes clear that Sir Robert Haslam, his successor at British Steel in 1983 and now at British Coal, was emphatically not his choice; and, most controversial of all, maintains that it was he who manipulated the coal strike almost from start to finish.

MacGregor is also sharply critical of the Energy Secretary, Peter Walker, of whom he entertains an exceptionally low opinion. This view of events is, to say the least, unlikely to pass unchallenged. Indeed, it is already being questioned.

MacGregor's account of the firing of Red Robbo is the first episode likely to arouse dissent. He claims that he and Albert Frost, another BL Board director, were the prime movers in getting rid of Robinson and that, indeed, they had to put heavy pressure on an indecisive Edwardes to do so.

Colleagues of MacGregor and Edwardes on the BL Board are known to believe that Edwardes was weak and grossly overrated and that he was supported in his reluctance to take action against Robinson by his personnel director, Sir Pat Lowry, now head of Acas.

MacGregor's view of events is, however, strongly challenged by BL senior executives who were close to Edwardes at the time. "The idea that Michael was reluctant to fire Robinson," said one, "is strictly for the birds. He was under constant pressure from Ministers like Keith Joseph, who wanted to know what he was doing about the militants, and looked for the earliest opportunity to prove that he was getting it right. He never showed any sign of wavering."

As for MacGregor, the executive went on, "he was a peripatetic. It was always 'off to Australia or Tipperary in the morning' and the idea that he spent a lot of time pressing for these things is very odd."

MacGregor's memoirs also make it clear how strongly he disapproved of the decision to appoint Sir Robert Haslam as his successor at British Steel. MacGregor's own choice was Bob Scholey, BSC's chief executive, and he was supported by other members of the Board, including Albert Frost.

Both men were appalled when the civil servants came back and told them that the job had been given to Haslam. Frost, indeed, who had previously been at ICI with Haslam, took such a dim view of the decision that he resigned from the BSC Board in protest.

What the book does not say is that MacGregor was even more strongly opposed to Haslam's appointment as his successor at British Coal. He had in mind several candidates of his own, men like Graham Day, now chairman of Rover, and Sir David

Plastow, chairman of Vickers. MacGregor regards Haslam's appointment as Peter Walker's way of inflicting a final insult upon him.

It is, however, MacGregor's account of the 1984-5 coal strike which will arouse the greatest controversy. He claims that it was he, in effect, who picked both the time and the place for the strike. Realising, as he did, that Scargill was looking for a fight, he deliberately risked provoking him by deciding to close a colliery, Cortonwood, which was in Scargill's own heartland, knowing that he was unlikely to refuse to rise to the bait.

He then tried to prepare the ground by moving a number of militants out of the Notts coalfield, which he regarded from the outset as the crucial battlefield. He also checked with Lord Marshall of the CEBG and Sir Robert Reid at British Rail to make sure that they would give him the fullest possible backing.

MacGregor next gives his view of the crisis which blew up in the autumn of 1984 when the pit deputies' union, Nacods, threatened to strike and Mrs Thatcher (and the Cabinet) became so alarmed by what Peter Walker and the civil servants were telling them about MacGregor's handling of the dispute that she took control of it out of his hands.

In his memoirs, MacGregor implies that the Government panicked, but that Mrs Thatcher did not. This, those close to him concede, is something of a white lie, because MacGregor wants to preserve his relationship with the Prime Minister, of whom he has a very high opinion, particularly now that she has given him a knighthood.

What his account does not reveal is that the deal which the

Government intended to put to Nacods was drafted at the Grand Hotel in Brighton, on the evening before the bomb went off, by a group of Ministers which included Mrs Thatcher and Norman Tebbit. The proposals were then sent to MacGregor, who was told that these were the terms on which he must settle. He obeyed, despite the fact that he still regarded the Nacods threat as an empty bluff.

Again, because of his desire to avoid offending the Prime Minister, he is often less than candid about the progress of their uneasy relationship. In particular, he says little about the fury he felt about the dinner in Downing Street to which he was invited when the strike was over.

He had anticipated that few others would be present and that it would essentially be an occasion when the Prime Minister would thank him for his efforts during the strike. Instead, other senior executives of the Board had been invited ("what the hell were all those people doing there?" growled MacGregor later), it was Peter Walker who was seated next to Mrs Thatcher and, far from being heaped with congratulations, the Coal Board chairman was given a dressing-down for his failure to do better in protecting working miners from intimidation.

MacGregor's anger was compounded by the fact that the Prime Minister put Michael Eaton—then the Board's spokesman and with some ambition to become its chairman—in charge of transfers. Although he said nothing at the time, MacGregor lost his temper and steamed out of Downing Street at the earliest possible opportunity, ignoring the usual post-prandial niceties.

This was, perhaps, the nadir

of a relationship which was always dogged by a fundamental mismatch of personalities. Mrs Thatcher often did not understand what MacGregor was talking about—he would make remarks like "if you're going to play poker, you've got to be prepared to lose"—and MacGregor did not take the trouble to explain.

MacGregor is candid about his intense antipathy towards Peter Walker and the way he behaved during the strike. He believed that Walker was obsessed with publicity and intent on feathering his own political nest; and never forgave him either for his secret meetings with the Nacods leaders or for making it clear at the outset, even to MacGregor's own advisers, that if he had had anything to do with it, MacGregor would not have been given the job in the first place.

Indeed, MacGregor would probably like to have been even more critical of the Energy Secretary, but seems to have been persuaded to tone down his views. He is equally critical of what he regards as the BBC's biased coverage of the dispute.

One fascinating sidelight on the strike is that MacGregor's intelligence network included members of Scargill's own executive, while his rapport with Terry Duffy, then president of the AUEW, enabled him to keep in close touch with what was happening within the TUC. Nor was Duffy the only member of the General Council who provided MacGregor with useful insights.

How, then, is one to assess MacGregor? His weaknesses are only too apparent. As even his friends admit, he is "a lousy communicator, who does not tell the people around him what he is going to do—he expects them to work it out for themselves." Nor is he a particularly good picker of people.

He can also be surprisingly curmudgeonly and rude. Whether this comes from extreme shyness or sheer wariness is unclear. What is certain is that he never gives anything away and, for that reason, according to an American management consultant who has known him



MacGregor: he chose the time and place of the coal strike

for 30 years, "has baffled more people than I care to think of."

All that having been said, even those in high Whitehall places who—at the time—felt strongly critical of his handling of the coal dispute, now concede that, without his stubbornness and, indeed, bloody-mindedness, it would not have been won so conclusively. Had Peter Walker been in command, they add, it would definitely have been lost.

As for MacGregor's earlier performance at British Steel, the record to some extent speaks for itself. In 1980, the year he arrived, BSC produced 14m tons of steel with 166,000 people and lost £1,784m. In 1983, the year he left, it turned out almost the same amount with only 71,000 people and lost only £256m.

Last year, in considerable part as a result of his groundwork, BSC made a profit and, while some of its senior managers reckon that his stock has been oversold, the majority concede that it was MacGregor who saved them. "He worked a minor miracle here," said one. "He brought us back from the graveyard."

At the Steel Corporation, however, MacGregor had a number of advantages. One was that, since the industry had only been

nationalised since 1967, its managers had spent half their working lives in private industry and were eager to get back to that state of affairs.

By contrast, the coal industry had been nationalised since 1946 and its senior managers had spent their entire working lives in a protected environment. That was one reason why MacGregor's friends tried to dissuade him from taking the job.

Furthermore, whereas at Steel he found a team of senior executives ready to work with him, at Coal he encountered almost total hostility, as dispassionate and experienced outside observers noted. "One only had to sit with the old guard," said one, "to realise how deeply they resented this American coming in and disturbing their nice, cosy little arrangement with the NUM. He wasn't just a loner when he was facing Scargill and Heathfield, he was a loner when he was facing his own management."

Given that he was operating in such an unfriendly environment, it is truly astonishing that MacGregor managed to see off all the opposition. Those who claim that he has been oversold do not go on to say who else could, or would, have done the job.

I can think of no other instance where a conveyor of news or information would broadcast something which they admitted in advance could have upsetting or distressing effects on the public.

The justification for showing such scenes is that, in the majority of cases, they have a beneficial effect. Viewers watching film...

Twelve features that put James Meade Shirts in a class of their own



EVERY TIME Mr Neil Kinnock says something I agree with I find that he subsequently issues a clarification or denial backing away from what has been reported.

Not so long ago he gave a very entertaining interview to Mrs Jilly Cooper in which he described Mr Michael Meacher as "kind, scholarly and weak as

RICHARD INGRAMS



looking through his Press cut- fulsome and sycophantic than it

of the Exchequer Maudling had been and what a fine Home Secretary he was now proving to be. Not only was he an intensely able politician, I was led to understand, he was also an extremely nice man. Were I to meet him I would take an instant liking to the fellow. These business indiscretions of his had no bearing at all on his political activities.

NOTE FOR THE FILE

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BIF Monday,

SIR IAN MACGREGOR'S MEMOIRS

I spoke today to Stephen Sklaroff who told me that Peter Walker had made arrangements to obtain an early copy of Sir Ian MacGregor's memoirs. Stephen Sklaroff will see whether he can pass a copy on to us next week, when Mr. Walker returns from leave.

DN

(DAVID NORGROVE)

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