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NOTE FOR THE RECORD

Prime Minister's Meeting with Mr. Christopher

The Prime Minister saw Mr. Tony Christopher on Thursday 10 January at 1800 hours. I was present.

Mr. Christopher spoke mainly about the Civil Service and the Inland Revenue. His remarks fell under two general headings. First, he expressed his concern over the advance of the left in the majority of Civil Service unions, and attributed this to the failure of moderate trade union leaders to obtain from the Government what the members wanted. In this connection, he urged particularly the implementation of the Megaw Report. Off the record, he said that he would be perfectly content with alternative forms of arbitration (mentioning flip flop arbitration) and accepted that there would have to be a Parliamentary override.

The second main point which Mr. Christopher made was that management needed to be improved in the Civil Service. He had commissioned a survey of stress among tax officers in the higher grade, and this showed that stressed reached levels causing anxiety. This was partly due to the imposition of manpower ceilings which made no allowance for the extra demands made by the introduction of new technology (which he supported). It was made worse by the diversion of the best people to planning the new system so that the routine work of the tax officers was left to the less able. He described the Inland Revenue as being in a mess, as indicated by the high backlog of unanswered correspondence.

The Prime Minister talked frankly with him, and commented in particular that she did not see the trade unions as having simply a "getting" role: they should also have something to give. Mr. Christopher finished up by saying that his

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position was quite close to that of the Prime Minister when she spoke as a employer; but he thought that the Government's role as employer had been allowed to be damaged by its role as Government.

The meeting ended at 1945 hours.

H.E.R.B.

10 January, 1985.

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Tuesday  
January 8

8 1985

## RS TO THE EDITOR

### Coalmining questions awaiting reply

*From the General Secretary of the  
Inland Revenue Staff Federation*

Sir, Earlier this week Mr Michael Eaton, of the Coal Board, spoke of a need for a negotiated settlement irrespective of the numbers of miners who return to work.

His wisdom should not be allowed to go by default, but it seems to me that any settlement is highly unlikely unless and until there is sufficient clarification of Britain's future energy policy.

There is now a strong case for much more information than we have about the future balance between the major sources of energy; especially we need to know the basis on which that balance is to be struck.

As it is, we are unable, any of us, to see the whole picture. Yet miners are being urged to come to terms with a situation so unclear that it remains distinctly threatening to them.

To the best of my knowledge, it has never been stated authoritatively that, over the next decade, there will not be a 70,000 to 100,000 reduction in the number of miners. Whatever reduction may be in prospect, again, it has never been explained or justified except on the now very questionable and certainly controversial concept of the "uneconomic pit."

So what are some of the areas upon which light should be shed? To start with there is energy pricing policy, the impact of the Government's "yield on capital" targets and the borrowing limits placed upon the NCB. By definition these have to be arbitrary and artificial. The CEBG, I understand, could have saved £85 million in 1983-84 burning coal instead of oil. The price of electricity has gone up 60 per cent since 1980 against a retail price index rise of 39 per cent.

There is the issue of coal imports. It is alleged that, currently, most that comes to Britain is dumped. But extensive new overseas supplies will

soon be available, given the large investment by oil companies in coalmining, notably in cheap-labour areas - South Africa and South America.

Of course we must ensure both national security and supply security; but there are environmental and social considerations as well as economic ones. So it is pertinent to enquire whether present policy is influenced, and if so to what degree, by the huge revenue yield from petroleum tax.

Lastly, it is surely not good enough to say that Mr Scargill's absolutism on "uneconomic pits" is untenable without, at the same time, declaring as unsatisfactory the NCB's very doubtful formula.

A pit's economic performance is clearly related to the scale of investment in it. Calculations of the cost-effectiveness of further investment should embrace the social and DoE/DHSS costs which would arise without it.

We are entitled to expect the minister, now that a strike (estimated to have cost £2.4 billion so far) has brought the whole energy issue to the surface, to provide answers.

May I urge Mr Walker to reflect. Energy policy is critical for the whole economy. We need a blueprint of that policy on to which could be grafted a revised Plan for Coal.

If the secretary of state convinced those immediately concerned that he would bring this about and in an acceptable way then perhaps the National Coal Board could suspend the closure plan *sine die* and the National Union of Mineworkers would accept that there will be some closures for reasons other than exhaustion or safety - and return to work.

Yours faithfully,  
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January 4.