

Incl P51 1.

PRIME MINISTER

Sir John Methven telephoned me today.

No need

He was much concerned that your seeing Mr. Murray later this week had become pretty widely known and he was, in consequence, being taken to task by the senior members of the CBI for not having made contact with you on their behalf. It was being put to him, crudely, that one would expect a Labour Government to have an early and informal contact with the General Secretary of the TUC, and one could see the point of a Conservative Prime Minister having an early meeting with him, but surely the CBI ought to be given precedence.

Murray

John Methven, who obviously felt embarrassed by this, answered his own problem by saying that, of course, he was aware that you already had a good understanding of the CBI's position and his own judgement had been that you did not need him to bother you at this stage simply to tell you what you already knew. Their Committee had last week been to see the Chancellor of the Exchequer about the Budget so they were in contact with the Government. Nevertheless he said it would be of great help to him in relation to the CBI membership if he could come to see you from time to time. He would like to be able to indicate that this would be your intention, although he himself is not pressing for an early meeting.

About this

It is a pity that what was intended to be a private meeting with Mr. Murray has become fairly well known. The difficulty about having an early meeting with the CBI, whether it be John Methven alone or two or three of the President's Committee with him, is that as John himself would be the first to say, they have nothing particular that they want to put to you or that merits your attention at this stage. That is why he suggests he should make it clear that, while there is no immediate need for him to come and see you simply because you

/are seeing

are seeing Mr. Murray, you have said that you would see them periodically to keep in touch. Would you be content for him to let this be known?

*Yes and*

*KRS.*

29 May 1979