

TRANSCRIPT OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER  
AND MR. JAMES PRIOR ON SATURDAY 22 DECEMBER

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Prime Minister: Hello, Jim. You've got problems.

Mr. Prior: We've all got problems.

Prime Minister: I don't think we can just sit back and let this happen, bearing in mind we don't seem to have skilled negotiators on our hands.

Mr. Prior: Well we certainly haven't and Murray tells me that Villiers just hasn't a clue and that he's not very impressed by Greeves but gets on well with Scoley.

Prime Minister: Well why did the Scoley thing not work? I thought they were negotiating with Scoley yesterday.

Mr. Prior: Well, it's really Greeves and Scoley but Murray, when he went down to try and sort the thing out yesterday, Villiers pushed him straight into the place with all the others instead of letting him have a private talk with Sirs first which was most unhelpful. I think we shall have to talk about it on Monday morning and try and get a little bit of movement somewhere.

Prime Minister: Well I think so because I think they're just all sitting back to let something happen which I don't believe Bill Sirs wants to happen.

Mr. Prior: No. I think that's absolutely right. But, of course, they must have something but they've been ... I mean I've told him and Murray's told him he's got to give something as well.

Prime Minister: What Bill Sirs or Villiers?

Mr. Prior: I think that Bill Sirs has got to give something in exchange for Villiers giving something.

Prime Minister: I looked at what happened and I thought they got just about 5 per cent which I thought was what would take the trick.

Mr. Prior: Well, it was unfortunate you see. The 3 per cent of it was this business of getting rid of the guaranteed week and I think they wrongly maintain that that is really losing money on one hand and that therefore they won't touch that.

Prime Minister: That's the same money. So they want 2 per cent clear really?

Mr. Prior: Well it was the 2 per cent which was the consolidation from last time which was already on the table. What I think is going to be necessary is for us to, Sir Keith and myself anyhow to talk, to see whether we can't then have a word with Villiers to see if there's anything more he can do.

/Prime Minister

Prime Minister: He's such a wooden person.

Mr. Prior: Well, he's such a very conceited man actually.

Prime Minister: But isn't there anyone else who they could negotiate with there?

Mr. Prior: Well Scoley they can but of course Villiers would have to approve it.

Prime Minister: And he and Scoley don't get on very well together?

Mr. Prior: No.

Prime Minister: Well, why doesn't he hand it over to Scoley while he has Christmas off?

Mr. Prior: That would be ideal I think but I don't know whether that's possible.

Prime Minister: You know, on the basis that he needs a holiday, etc. etc. I just don't think..... I mean, Jim it's going to be the end of British Leyland if they're not careful.

Mr. Prior: Oh, I think Murray..... you know he's calling together all the union leaders involved on Monday?

Prime Minister: Oh, well that's good news. Can you get on to him and ask him who he would negotiate with?

Mr. Prior: Well, what he would like to do is he would like to have a private meeting between Sirs and one of his people, plus Scoley and Greeves with Murray himself there and he would like to rehearse with them what is possible and until that has been properly rehearsed he wouldn't want anything to go back to a bigger meeting.

Prime Minister: I think that's right.

Mr. Prior: But I think that we would have to talk a bit to Scoley and Greeves a bit before the meeting took place ....

Prime Minister: ....as to what they could offer. I mean, quite honestly, Jim, I don't mind a bit of the investment money going to wages.

Mr. Prior: No. Well all I'm concerned about is that, I mean as far as the cash limit's concerned, if we have a strike they're much more likely to break the cash limit by more than if we use some of the cash limit for the wages and then try and grab it back later on.

Prime Minister: I think you can probably do that only your going to have a list of cash limits - they've got 150 apart from redundancy haven't they. I would have thought they could use, let me think, there was 100,000 in steel or 200? 100,000 in steel?

/Mr. Prior

Mr. Prior: It's 10 million for 1 per cent roughly I gather.

Prime Minister: 10 million for 1 per cent. Well I would have thought they could use 30 or 40 million wouldn't you?

Mr. Prior: I would have thought so. You see, Murray's last words to me today were look I don't know, he said, but Sirs keeps talking about 8 per cent as being the increase in the productivity that they had last year and why can't they aim for this sort of figure this year. Now, whether that's the figure that's in Sirs' mind or not we just don't know.

Prime Minister: What does he mean, 2 per cent consolidation, 3 per cent guaranteed week, 3 per cent neat?

Mr. Prior: Well, that would mean ....yes, and that would mean, well 3 per cent in exchange for something. I'm quite certain that we mustn't let the steel corporation just give it without getting something .....

Prime Minister: ..... something for it.

Mr. Prior: Well, it won't be copper bottomed what they get, but we must get what we can.

Prime Minister: You get some promise of some reduction in restrictive practices.

Mr. Prior: Yes, yes.

Prime Minister: Well, Jim, I would use 30 or 40 million of it for that because it's cheap at the price.

Mr. Prior: Well now, Margaret, the only thing is that I shall have to talk to Keith about this. I think I'll have to come up on Monday morning.

Prime Minister: I will not be there until Monday night. I've got a heavy day on Monday, or I'll be here Monday night, I've got a heavy day on Monday.

Mr. Prior: Well, have you talked to Keith or not?

Prime Minister: No, I haven't. I had to.....I was at No. 10 until 1230 this morning and then David talked to you and then David talked to me. I can talk to Keith.

Mr. Prior: Would you like to talk to Keith.

Prime Minister: I'll talk to Keith.

Mr. Prior: And then if he would like to give me a ring - either tonight or tomorrow morning - I mean I'm perfectly happy to come up to London on Monday morning or tomorrow if necessary.

Prime Minister: I would have thought we could do it on the 'phone Jim. I don't really want to bother you the moment you've got there. Anyway it's going to snow in your part of the world isn't it?

/Mr. Prior

Mr. Prior: Well, there are conflicting weather reports like everything else but you know obviously I would rather not come up but I don't want to upset anyone else or leave anything to chance because I think we must keep some momentum going.

Prime Minister: So do I.

Mr. Prior: If you wouldn't mind talking to Keith I think that would be right, then I think I could talk to, after talking to Keith myself, I could talk to Murray and then I would let, I think, Douglas Smith talk to Greeves and Scoley so that I'm not involved. I don't want to get into the front line if we can avoid it.

Prime Minister: No, I don't want to get in the front line but I don't want a strike. We'll talk to Keith. Now does he know your telephone number in the country?

Mr. Prior: Yes, he does.

Prime Minister: I'll get on to him now if I can find him.

Mr. Prior: When I've spoken to Murray if I think I need to come back to you I will.

Prime Minister: All right, I'm here, and it's not going to leave my mind so I might as well do something about it.

Mr. Prior: OK.

Prime Minister: All right, Jim. Sorry to bother you.