

P.R.  
PRIME MINISTER

Steel

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Dale Campbell-Savours and Ian MacGregor

MS

Mr. Campbell-Savours' motion to refer his complaint to the Committee of Privileges was agreed this afternoon, without objection. The whole thing was over in under 10 minutes.

Mr. Campbell-Savours said that when he met Ian MacGregor on 18 December, Mr. MacGregor interrupted his opening remarks and said that he took exception to what Mr. Campbell-Savours had said in the House earlier that week. You may recollect that he alleged that the BSC had been distorting statistics about the Workington plant. Mr. Campbell-Savours alleged this afternoon that Mr. MacGregor went on to say that if this was the way in which he intended to present his case in Parliament, then further investment at Workington would be ended.

He said that during the meeting with Mr. MacGregor, he had realised the significance of what was being said. He had therefore dictated notes about the meeting to his research assistant immediately on his return to the House and had described his experience to three Parliamentary colleagues during the same morning.

Mr. Pym spoke very briefly. He said that he wished to make no comment whatsoever on what Mr. Campbell-Savours had said but that he was clear that it would be right to refer the matter to the Committee of Privileges. John Silkin was equally brief, and said that the matter should be dealt with as rapidly as possible.

You should also see the attached letter from Ian MacGregor to Keith Joseph, together with the record of the meeting prepared by the British Steel Corporation. It gives no support to Mr. Campbell-Savours' allegations, but it is open to Mr. Campbell-Savours to argue that the record is only a summary and does not exclude the possibility that his version is the correct one.

We will keep you in touch with further developments.

14 January 1981

MS





DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 Victoria Street  
London SW1E 6RB

Telephone

Direct Line: 01-212 3301  
Switchboard: 01-212 7676

*With the Compliments of the*

Private Secretary to the  
Secretary of State for  
Industry

*J. E. H. H. H.*

IN CONFIDENCE

BRITISH STEEL CORPORATION

IAN MACGREGOR

14 January 1981

RECEIVED  
14 JAN 1981  
SECRETARY OF STATE  
FOR INDUSTRY & COMMERCE

The Rt Hon Sir Keith Joseph MP  
Secretary of State for Industry  
Ashdown House  
123 Victoria Street  
London SW1E 6RB

For Information

Mr Binning  
P/Hins  
P/Sec  
Mr Stodd  
Mr Beckett

Dear Sir Keith,

I understand that the House of Commons will be considering this afternoon the statement made by Mr D Campbell-Savours MP, and referred to by the Speaker yesterday, relating to a meeting which I held with Mr Campbell-Savours at his request on 18 December 1980. The subjects we discussed were BSC's operations at Workington, the discontinuance of the ingot mould foundry at Distington, and Mr Campbell-Savours' statements concerning the integrity of the BSC management in its conduct of the evaluation of the future of BSC's various ingot mould foundries at Distington and elsewhere.

I am of course ready and willing to co-operate fully with the House of Commons in whatever investigation it may decide to undertake into what I am alleged to have said at the meeting.

Meanwhile, I would simply like to say that I refute the allegations most strongly. I can best do this by sending you the enclosed summary record of the meeting, made by the Secretary of the Corporation (Mr R W Rosevear) who was present, and circulated by him on the following day. I was also accompanied at the meeting by Mr D B Bray (Managing Director, BSC Holdings), Mr G L P Highton (General Manager, BSC Cumbria) and Mr D Prior (my Assistant).

I would stress that at the meeting I took strong exception to Mr Campbell-Savours' continued statements

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IN CONFIDENCE.



The Rt Hon Sir Keith Joseph MP

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about the honesty of some of those colleagues concerned with Workington, who were present with me on that occasion, and I expressed my concern as to the effect which these statements would have on the maintenance of sound relations between the management and the employees at Workington. I regard these sound relations as essential to the plans we are preparing to ensure a successful and secure future for our continuing operations in that area.

Sincerely

Sam MacGregor.



NOTE OF MEETING BETWEEN THE CHAIRMAN AND MR. CAMPBELL-SAVOURS, MP: 18TH DECEMBER 1980

The Chairman met Mr. Campbell-Savours, MP for Workington, at his request, to discuss the closure of the Ingot Mould Foundry at Distington, included in the announcement about the Corporate Plan on 12th December.

Mr. Campbell-Savours had written to the Chairman (on 19th November), with more than fifty detailed questions relating to the operations of the Foundry and other elements of plant at Workington. He had also made very strong statements, both in Parliament and locally, about the Foundry closure, including statements that management had "deliberately doctored statistics" to destroy Workington, and had conducted industrial relations so as to produce "a deep and seething contempt" for many managers on the part of the workforce.

Mr. Campbell-Savours said that it had now been agreed that this long list of detailed questions should not be answered, but he expressed his deep resentment at the decision to close the Foundry and he maintained that the evaluation as between the different foundries was unfair and did not take account of the counter-arguments put forward by Workington - for example, mould life.

The Chairman said he took the strongest exception to Mr. Campbell-Savours' attitude. It was common ground that the Corporation must maximise the use of concast and therefore run down the use of ingot moulds. He and Mr. Bray both entirely refuted the statement that Cumbria had been dealt with unfairly: if anything, the bias had been in Cumbria's favour.

The Chairman said he had examined the decisions made and he deemed them to be appropriate in the circumstances. All germane factors had been considered, and he had absolute confidence as to the conduct of his management colleagues in the matter. Mr. Bray had already expressed his readiness to go through all the arguments with the local workforce.

The Chairman said that he was disappointed, discouraged and concerned as to the future of Workington in the face of Mr. Campbell-Savours' attitude. This had raised unjustified doubts in the minds of BSC's employees and had seriously exacerbated relations in Cumbria. This could only have the effect of jeopardizing the future employment of his constituents with BSC since the Corporation's survival depended crucially on winning the co-operation of its employees everywhere. Without this co-operation the Corporation would have to dismantle those plants involved.

Continued/



As the local MP, Mr. Campbell-Savours had a large degree of responsibility for setting the tone in the area. He hoped that he would therefore reverse engines and attempt to repair relationships in Workington for the sake of the future of BSC's continuing employees there.

Rwk

(R.W.R.)

c.c. Chairman ✓

Mr. R. Scholey

Mr. D.B. Bray

Mr. G.L.P. Highton

19th December 1980