

PRIME MINISTER

DALE CAMPBELL-SAVOURS: YOUR LETTER TO MR. MACGREGOR

When you saw Dale Campbell-Savours last week you told him that you would write to Mr. MacGregor about the Distington Foundry. You said that for everyone's peace of mind and the welfare of those concerned, it might be worth "asking the Corporation to look at the figures again".

The Department of Industry now offer the draft letter at Flag A for you to send to Mr. MacGregor. When I saw it on Friday, I said to them that it seemed to me to be significantly weaker than the offer which you had made to Mr. Campbell-Savours. You will see that the key sentence in the draft says:

"I undertook to Mr. Campbell-Savours that I would seek your personal reassurance that the question of which of the foundries were to be retained and which, if any, should be closed was fairly and thoroughly considered in order to arrive at the best economic plan for BSC".

Norman Tebbit's Office have come back with the letter at Flag B, justifying the draft (which Mr. Tebbit was himself responsible for, replacing an earlier Departmental version more in line with what you actually said at the meeting).

How do you want to play this? The trouble is that your exchange of letters with Mr. MacGregor will have to become public property; it should therefore be drafted (on both sides) from the beginning with the likelihood of eventual publication in view. If you deviate too far from what you promised to Dale Campbell-Savours, he will attack the exercise as meaningless. If you go too far the other way, the dangers which Norman Tebbit foresees will assuredly be realised.

/ Are you

*N either is quite right.
There are 2 points*

*① were the relevant figures correctly calculated
② Were other factors taken into account?*

Are you happy with Norman Tebbit's draft, with his amendment, so that the final version would read:

"I undertook to Mr. Campbell-Savours that I would seek your personal reassurance that the question of which of the foundries were to be retained and which, if any, should be closed had been re-examined and been ^{fairly and} thoroughly considered in order to arrive at the best economic plan for BSC." ?

Or would you rather use a slightly firmer form of words such as:

"I undertook to Mr. Campbell-Savours that I would seek your personal reassurance that the decision on which of the foundries should be retained and which should be closed had been reached responsibly on the basis of the analysis which had been performed, and that that analysis had been soundly based." ?

MS

9 March 1981