

PRIME MINISTER'S TELEPHONE CONVERSATION WITH SIR DEREK EZRA ON
MONDAY 22 SEPTEMBER 1980

Prime Minister: Can you hear me?

Sir Derek: Yes.

contract for a
PM: Good. We have been having trouble with this/coal-fired power station at the end of which everything was sorted out with the exception of some 340,000 tonnes a year, sorry two years, namely the first two years of the contract which should be years 1984 and 1985. They wanted security of supplies at a formula price. Now you will understand that I found it very difficult to understand that as that is only about 340,000 tonnes - about one-third of one per cent of our total annual production - I find it difficult to understand why we didn't absolutely leap at it. However, I understand that your boys have said now they can guarantee it. If we don't get it from elsewhere we will do it from our own production, which I think is good news.

Sir Derek: Yes. That is right. It has been fixed up this evening.

PM: ... it will be a minute section in the price of the total output. I have said that we could do - that Industry and Trade between them will fund up to £2 million, which I think should see things through. But I think you will agree that we simply cannot let this contract go for want of 340,000 tonnes of coal in a country starving for jobs. All right?

Sir Derek: Yes. Well we have found a way of doing it and I hope it is successful.

PM: I am sure it will be successful. Thank you for your co-operation 340,000 tonnes a year for two years is necessary from us, maximum extra bit from Trade and Industry £2 million.

Sir Derek: All right. Thank you very much.

/PM:

PM: Did you have a good time abroad?

Sir Derek: Yes. Incidentally I heard your speech in Bordeaux
It went down very well.

PM: Yes. Exactly what I thought would happen did happen. We
were nice to our French friends, we were nice about France but no-one
was nice about Britain.

Sir Derek: No, but the discussions went very well.

PM: The discussions went well.

Sir Derek: Yes they did. And very positive.

PM: All right. Well now I will go pounding the world looking for
more coal contracts. Thank you.

Sir Derek: Thanks very much. Goodbye.