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NOTE OF A TELEPHONE CONVERSATION WITH SIR KEITH JOSEPH AT  
1015 ON 30 DECEMBER

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The Prime Minister said that she wondered whether there ought not to be a further public appeal to the steel workers from the Steel Board, saying that it would be premature to go on strike when more than 10% extra was available from productivity deals. Sir Keith Joseph said that the workers were motivated by loyalty to their union. He added that ACAS would be inviting both sides in early in the week for talks.

Sir Keith Joseph agreed to provide the Prime Minister with some speaking sentences for use in her radio interview on 31 December, together with any further reports he had on the position.

The Prime Minister suggested that it might be possible to recall Parliament and put through a bill in one day to enforce postal ballots. Sir Keith Joseph said that no-one could be sure of the results of such a ballot, and that since the bully-boys were in charge it was not realistic to expect that the strike could be prevented at this stage.

The Prime Minister said that she was concerned that people who wanted to go on working should be given a reason and that all her instinct was to do everything possible to prevent the strike. But the point had to be repeated that the steel industry's competitiveness could not be allowed to deteriorate any further. The taxpayer was already finding more than £9m. a week to support the industry. Any further pay increases had to be in return for increased productivity.

Sir Keith Joseph agreed to consider whether any further press comments could be made by the Steel Corporation on 30 December and to look into the position about ACAS.

MJ

31 December 1979

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