



DEPARTMENT OF INDUSTRY  
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PS/ Secretary of State for Industry

*cc Mr Whitby  
Mr Hodgson  
Mr Lyman*

15 January 1980

Tim Lankester Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
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1. Mr Whitby <sup>16/1</sup>
2. Prime Minister

The suggested approach  
to the CBI. seems a  
good idea. Sir Keith  
will raise this in Cabinet

Dear Tim,

STEEL STRIKE: 4TH REPORT OF THE INTERDEPARTMENTAL <sup>tomorrow</sup>  
CONTINGENCY GROUP

... I attach the Group's 4th Report.

My Secretary of State thinks it would be useful if the Cabinet  
on Thursday could consider the proposal in paragraphs 9 to 11  
for a discreet approach to the CBI about advice to members on  
exploiting the ISTC and TUC picketing guidelines and on  
exchanging views about the effects of the strike. This could  
perhaps best be done by the Department of Industry.

I am copying this letter to the Private Secretaries to members  
of E, the Secretaries of State for Scotland, Wales, the Pay-  
master General, the Minister of Transport and to Sir Robert  
Armstrong.

*Yours ever,*

*Pete.*

PETER STREDDER  
Private Secretary

*16/1*



STEEL STRIKE : 4th REPORT OF INTERDEPARTMENTAL  
CONTINGENCY GROUP

This Report summarises the strike position on 15 January.

Industrial Relations

1 ACAS continue talking to BSC and the unions but there is no sign of significant movement.

2 The strike still seems unlikely to spread to the private sector. The ISTC is holding a special delegate conference today to consider this. The outcome is uncertain, but Mr Sirs is likely to recommend against action. A final decision by the unions will depend on a joint meeting of the ISTC and National Union of Blastfurnacemen (NUB) Executive Committees on Wednesday.

3 The Welsh TUC appear to have put off their threatened industrial action over steel closures for the duration by deferring it until "on or about 10 March" (unless the strike is settled before then); but they plan to go ahead with a one-day general strike in Wales on 28 January.

4 Essential safety work is not likely to be neglected at BSC coke ovens and blastfurnaces despite press reports to the contrary. BSC see no immediate worries here, since even if NUB members do decide to withdraw their safety cover, they hope to be able to call on staff members to implement alternative maintenance methods, particularly at coke ovens.

Steel Supplies

5 Generally the position seems easier than appears from the media. Latest reports suggest that private sector steelmakers and stockholders are continuing to operate almost normally and good deliveries from these two sources are being maintained. Essentially this seems to be the result of those employers who are finding ways of overcoming problems caused by the strike being unwilling to publicise the fact.

6 In nearly all sectors stocks of steel held by users are still sufficient to support normal production into early February. However some specialised problems could occur earlier, particularly on specialised steel for offshore fabricators. Picketing is also causing problems for tin-plate can producers, especially in South Wales. Metal Box at Neath, which supplies can ends for 30% of all Metal Box food can production, is being denied both incoming materials and delivering of its products. Output of food cans from Metal Box should be normal this week but could drop by 50% next week if the problem at Neath is not resolved. However MAFF sees no cause for anxiety over food supplies yet.



7 Picketing has been intensifying, particularly in Scotland, but without altering the supply position as described above. For example despite picketing at Leyland plants at Bathgate (Scotland) and at BL Cars plants in the Midlands BL still expect to be able to continue production into February. Steel is being blocked at most ports (after being unloaded) but contrary to persistent press reports about problems at Kings Lynn there is still some steel moving there.

8 In the transport field there is little change from last week: British Rail unions continue to block transport of steel (at an estimated net cost to BR of £2½m per week). The Road Haulage Association reports continued picketing of steel stockholders preventing supplies leaving these premises. But the picketing seems largely to involve hire and reward vehicles; stockholders' own vehicles are in many cases being allowed through picket lines.

#### Further Action on Picketing

9 Officials considered whether it would be worthwhile for Government representatives to stress to union leaders the fact that many instances of picketing go beyond the ISTC leadership's own instructions, and indeed the TUC's guidelines on picketing, neither of which support picketing of private steel producers. However we came to the conclusion that this would probably be counter-productive. The union leadership is well aware of the problem. Such action would draw the Government into day-to-day intervention in the dispute. It would also have implications for the Government's stance on the need for trade union legislation.

10 On the other hand we felt that an approach to the CBI might be useful. This would have two aims. First it could attempt to establish what, if anything, the employers' associations are doing to set up machinery for dealing with complaints that union members are not following ISTC instructions. Second, there might be a more general benefit in exchanging views with the CBI's about the effects of the strike. The unions' overall strategy seems to include demoralising employers enough to pressurise the Government to bring about an early settlement. Some companies' attitudes may be affected more by what they see on the television screen than by actual experience. A sober joint appraisal with CBI (done with due discretion) could bolster the resolve of members. For the Government to publicise beat-the-strike successes would be counter-productive.



11 Ministers' views are invited on the desirability of an approach to the CBI on these lines.

Other Action

12 The Treasury aim to complete shortly an assessment of the possible wider economic implications of the effect of the dispute, on different assumptions about how long it lasts. They are also considering, in conjunction with the Department of Employment, the repercussions on other pay disputes. A more detailed examination of the likely endurance and longer-term effects in different sectors of industry is being carried out by the Department of Industry.

Department of Industry  
15 January 1980



16 JAN 1980