

Mr. Whitmore  
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MR. LANKESTER

Steel Dispute

This note records points I gleaned from my lunch with Keith Harper, Labour Editor, The Guardian. Mr. Harper succeeded me on that newspaper and is a personal and frank friend. This information should therefore be protected.

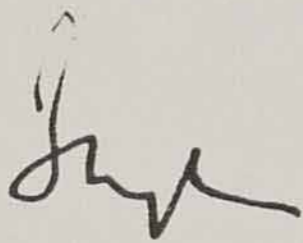
First of all, he had the clear impression that the Government had selected steel for a showdown. I vehemently rejected this notion so far as the Prime Minister was concerned. I said that my impression was that the Government, the unions and BSC had not wanted the strike.

Mr. Harper told me:

- (i) BSC's relations with the press were abysmal; he had evidence where they had entirely contradicted themselves overnight. (I had prior evidence from other journalists that a) they could not get hold of a press officer after 5.30 p.m. and when they did get them at home, were not welcome; and b) an official of the Labour and Industrial Correspondents' Group is keeping a record of BSC's failures);
- (ii) he sat next to Grieve, BSC Personnel Director, at a lunch who expressed surprise (and protested that no such arrangements had been made) that Scholey was to see the unions later in the day (at a meeting which Grieve attended); this raised doubts about BSC's management, even taking into account the problems of communication in large organisations;
- (iii) Bill Sirs was being fed information by BSC officials who were sympathetic to him; this gave him an enormous advantage in negotiations - Mr. Harper instanced the productivity argument as a case in point. (N.B. This is very sensitive).

- (iv) He confirmed that Mr. Sirs had not wanted a strike and was very worried about its progress.
  
- (v) The TUC moderate group were very concerned lest the country slid into a general strike and would want to get something out of their meeting with the Chancellor and other Ministers; they were fairly desperate to establish a dialogue with the Government. (In response, I said that no one slid into a general strike; it required a positive decision and trade unions had some responsibility for their own actions in this world. I added that a dialogue was one thing; negotiations were another and unfortunately the Government, whatever its colour, found it impossible simply to discuss matters with unions).
  
- (vi) He agreed that the general level of trade union leadership, including Murray, was indifferent to poor; no one ever knew what Basnett was talking about and he had no follow through; Murray had no charisma and was not a leader.
  
- (vii) He was not surprised the unions cut an unimpressive figure at the NEDC, which the Prime Minister chaired.
  
- (viii) There was evidence that the trade unions were increasingly drawing attention to the Government's pro-South orientation to the detriment of the North; he said leaders of the footwear and hosiery workers' unions had separately made this point to him this week. (N.B. - If this is so, we need to get the Prime Minister out and about in Britain).

(ix) Returning to steel, he said that Scholey ("Black Bob"), while knowing the industry, was autocratic and difficult. I took the opportunity afforded by Mr. Harper, who said Mr. Scholey wanted to be Chairman but did not expect to be, of asking what would be the effect on trade unions of his being Chairman. He was taken aback by the idea and felt that while it would be welcomed as an appointment from within the industry, it would not necessarily make much difference. I got no answer to a follow up question as to what union attitudes would be if they felt they had to deal with Mr. Scholey for a number of years.



B. INGHAM

25 January, 1980