

PRIVATE & CONFIDENTIAL

Prime Minister

STEEL STRIKE

I understand, fully, the reasons for your letter to Bill Sirs.

However, may I please offer these four thoughts:-

1. We have said, all along, that this is a dispute between the B.S.C. and its employees. However the forthcoming discussions between Bill Sirs on the one hand, and Keith and Jim on the other, are dressed up, they will be interpreted as being, and may in a sense actually be, negotiations about a settlement. The discussions will be interpreted as a departure from the earlier impression that negotiations should be conducted between employer and employee.
2. Your agreement to see Bill Sirs, after his discussion with Keith and Jim, if he would like to do so, could be interpreted as an assumption by you of responsibilities which fall properly within the specific spheres of the Secretaries of State for Industry and Employment.
3. The precedent thus created, that in an industrial dispute, particularly in the Public Sector, Trade Union Leaders have the "right" to come to Number Ten, to see you, is one which it will be difficult to discontinue, in later disputes.
4. In the country generally, there is approval for the proposition that industrial disputes should not be seen as conflict between the Government and employees. I believe that the distancing of Government from industrial disputes is desirable. We all recognise that the steel dispute will have to be settled on a basis more favourable to Sirs than the current offer. Such a settlement if made between the B.S.C. and its employees will be less damaging to the Government than a settlement to which the Government is perceived to be a party, because of the prior discussions with Keith, Jim and yourself.

In offering these thoughts I do not seek to represent the view of the Parliamentary Party, which I think will back you in the reply which you have sent to Bill Sirs.

17 January 1980

cc David Wolfson



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