

GUIDANCE FOR PRESS OFFICERS

The following papers take you sequentially through the NEDC meeting today to the extent that it relates to steel and the Prime Minister's contributions.

The Prime Minister made a very brief introduction (see guidance). Mr. Murray attempted to raise the steel dispute early in the meeting (see guidance). The Prime Minister replied very briefly as indicated in the guidance.

During the discussion only Mr. Duffy, AUEW, brought up steel again. He made two attempts - one very briefly in the body of the discussion which brought no response from the Prime Minister and again at the end (see guidance).

When he left the meeting, Mr. Murray was interviewed by ITV. He looked angry and discomfited and complained that the Government had washed its hands of the dispute and the consequences "of what is happening on steel which they have caused". The Government had not been concerned to argue its case. It was not Government; it was an abrogation of responsibility.

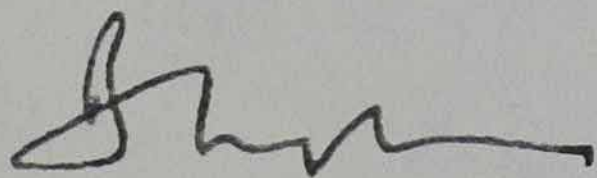
Sir Charles Villiers attended the meeting. He spoke very briefly but not on the steel dispute.

LINE TO TAKE

See the Prime Minister's response to Mr. Murray's comments.

Stress that the Government is not involved in the negotiations.

Do not give Mr. Murray's comments currency - they are reproduced for your guidance.



B. INGHAM

9 January, 1980

In her opening remarks the Prime Minister said she was very pleased to be attending her first meeting of the NEDC as Prime Minister. She had been looking forward to the visit and had very much enjoyed the discussion when she attended sometime ago as Secretary of State for Education. Of particular interest to her was the rate at which the United Kingdom could introduce new technology into industry. It was vital that we should keep up with our competitors in this. If we did not, we should lose our jobs to them.

Responding to comments by Mr. Murray on the steel dispute, the Prime Minister said that she deeply regretted that the talks had broken down. As Mr. Murray had recognised, the NEDC was not a place for negotiation. There were well established avenues for conciliation. She hoped that for the sake of the steel and other industries, and the economy as a whole, ~~that~~ the dispute would not be prolonged and that an early settlement would be reached.

NOTE OF MEETING WITH NEDC

Summing up the discussion, the Prime Minister said she thought there was a large measure of agreement in the Council in that everyone accepted that the UK must introduce new technology quickly. Otherwise other countries who did so would get the business and the jobs and the UK would lose out. The question was not whether we should introduce new technology but how best to do so.

There were in fact some marvellous examples of British industry adopting new technology, for example, in gas and North Sea oil where there were also good labour relations.

"We have all seen it work well. We know it can work well. We know we have to change and welcome it."

The Prime Minister added that the UK acquired a prominent industrial position because it was the first to change. We had, however lost our first 'ness' and speed was therefore essential. Countries like Japan which has introduced the most modern technology had the lowest rate of unemployment.

"They have got our jobs," she said, "And I want our jobs back here."

Dealing with research and development, the Prime Minister added that it was not only a question of the amount spent on it but also how and the direction in which that expenditure was applied.

At the end of her summing up, Mr. Duffy tried to raise the steel dispute again.

The Prime Minister, in reply, said that, while she recognised why Mr. Duffy was trying to do this, it was also generally recognised that negotiations could not take place in the NEDC. There were well-established avenues for conciliation. She regretted the strike as much as any one of those present.



B. INGHAM

9 January, 1980

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Mr. Murray raised the issue of steel in introducing the TUC papers on unemployment and technology. He said it illustrated one of the problems set out in those papers. He argued that there had been a positive and constructive, if at times reluctant, response from the steel unions over the years to problems which could not be avoided but which were now intensified, unreasonably and unnecessarily, by the narrow approach of Government policy. Government management of the economy was of critical importance.

He said he did not wish to get involved in the steel issue or the merits of the dispute. But he maintained that parameters and negotiating possibilities were determined by the Government's actions and decisions. It was because of the enormous and frightening implications of the dispute for the whole economy that the TUC became involved in it. It had created a coordinated Trade Union Committee and took an initiative in the negotiations to seek a rapid solution. The response by the BSC was conditioned largely, if not wholly, by the Government's attitude towards the future of the steel industry.

He argued that the TUC's actions and those of the coordinating Committee, were quite unprecedented because of the potential consequences of the dispute and he had found it astonishing that the BSC were reluctant to respond.

/Unless there

Unless there was confidence on the part of workers and employers the technological revolution would not get off the ground.

This issue was critical. And the Government had a responsibility to engineer confidence. He did not think, however, that the Government was facing up to its proper responsibilities.