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BRITISH
NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND THE/INDEPENDENT
STEEL PRODUCERS ASSOCIATION AT NO. 10 AT 1715 HOURS ON
TUESDAY, 5 FEBRUARY, 1980

Present:

Prime Minister	Mr. J. Paterson (President)
Secretary of State for Employment	Mr. A. H. Mortimer (Director-General)
Secretary of State for Industry	Dr. D. Hardwick
Mr. Derx, Department of Employment	Mr. Peter Lee
Mr. S. Gross, Department of Industry	Mr. I. J. Blakey
Mr. D. Wolfson	Mr. S. Williams
Mr. C. Whitmore	
Mr. B. Ingham	
Mr. T. Lankester	

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Mr. Paterson said that he and his colleagues were grateful to the Prime Minister for the opportunity to meet her to explain their difficulties. The private steel industry was faced with an increasingly horrific situation. They had been brought into a dispute between BSC, BSC's workers and the Government in which they ought not to be involved at all. The only real victims of the dispute were likely to be the private companies. They were losing about £10 million per week, and great damage was being suffered especially by those companies who had been investing heavily. They had met the Secretary of State for Employment on 16 January and had suggested to him the need for immediate legislation to outlaw secondary picketing. Mr. Prior had indicated that it would not be possible to rush this through Parliament. Now that they were faced with a full strike, they were asking the Prime Minister if the Government would enact urgent legislation to make both secondary picketing and secondary striking unlawful.

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The Tory Manifesto had indicated that the Government were going to deal with all forms of secondary action; but so far they had done nothing, and furthermore, it appeared that the Employment Bill currently before Parliament would deal with only one aspect of secondary action - namely picketing. Even if it were not possible to rush through the Bill to help deal with the present strike, they hoped that it would at least be toughened up. There was no guarantee that, against the background of heavy redundancies at BSC, there would not be similar strike action later in the year. The private companies felt that at present they had no protection at all. He hoped the Prime Minister would be able to indicate what legislation the Government now intended to enact in the light of recent events.

Mr. Mortimer said that BISPA fully endorsed the Government's policy that BSC should achieve early viability. It was important that BSC should operate without subsidy so that the private companies could compete. But they were dismayed by the inadequacy of the current law which seemed unable to protect those who were brought out on strike against their wishes. The ISTC had torn up all their procedural agreements with the private companies and instructed the employees of these companies to strike even though there was no dispute. It was clear that they did not really want to strike since, as soon as the union had withdrawn the strike instruction after the Court of Appeal decision, there had been a 100 per cent return to work. Mr. Paterson added that the threat of losing their union cards was unfortunately decisive. Working class solidarity also had had an important effect - the private sector workers tended to live in the same communities as BSC workers. Moreover, those who failed to accept the strike call would often face intimidation.

The Prime Minister said that, while the Government had the greatest sympathy for the private companies' difficulties, there was no possibility of rushing legislation through to deal with the current strike situation. But the Government would like to ensure that it would not happen again. She

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asked if the Association had any particular proposals. For example, would the private sector workers have gone on strike if there had been a secret ballot?

Mr. Prior said that Lord Denning had tried to establish the principle that immunities against breaches of contract should not extend beyond the first customer or supplier of an employer in dispute. If this principle were enacted in law, would the private steel companies be protected? He understood that some companies had a first customer/supplier relationship with BSC; others not. Mr. Blakey said that all the companies had some contractual relationship with BSC. The Prime Minister said that, in that case, it did not appear that drawing the immunities line at first customer/supplier would help. Mr. Paterson agreed; immunities in his view should not extend to secondary action at all. Furthermore, the unions should suffer financial penalties if they breached agreements, or if their members broke the law. The Prime Minister commented that the unions ought perhaps to be financially liable for breaking agreements in situations where there was a closed shop.

Mr. Williams suggested that secondary action should only be lawful if there was first a secret ballot. Alternatively, it might be made unlawful for a union member to lose his union card if he refused to take part in secondary action. Mr. Prior said that he doubted whether it would help to make secret ballots compulsory. But there could be a provision in a statutory code which would say that expulsion from a union was unreasonable if there had not been a ballot. However, he would consider this and any other ideas which the Association might have.

Mr. Mortimer said that he had understood from Mr. Prior that the Government thought it would be a mistake for legislation to come into effect while the current dispute was on. He disagreed with this point of view.

The sooner the law was rectified, the better.

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/Mr. Prior

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Mr. Prior said that it had been the Government's policy all along to "take the steam" out of their proposals by consultation and the step-by-step approach. So far this appeared to have been successful since the unions seemed unable to decide whether the Government's proposals were modest or radical. It would be far better for the legislation to come into effect in the summer when, on past form, there were likely to be a few months of industrial calm. If the legislation had gone through now, it would immediately have been threatened by Scargill and others. The Prime Minister added that there was no question of the Government holding up the legislation; but it had to be right, and they were looking for BISPA's and others' advice on what new clauses should be added to the Bill. It was essential that the Government had the employers' support since they would have to enforce it. She hoped that BISPA were in touch with the CBI.

Mr. Paterson said that management morale in the industry was being destroyed by the inadequacy of the current law. If the present strike continued, the larger companies would survive, but there would be less investment and fewer jobs in the future. Too few union members understood this. Only when companies actually collapsed did people begin to face up to reality. He repeated that the Government must outlaw all forms of secondary action, and make the unions liable for their members' actions.

The Prime Minister said that the Government were urgently considering what further changes were needed in the Employment Bill, and they would certainly take into account the views expressed by BISPA.

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