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PS/ *Secretary of State for Industry*

4 January 1980

Nick Sanders Esq  
 Private Secretary to the  
 Prime Minister  
 10 Downing Street  
 London SW 1

*Dear Nick,*

... I attach a copy of a situation report prepared by an inter-departmental group of officials during the current steel strike, chaired by Mr Philip Ridley of this Department. The group expect to produce further reports bi-weekly or weekly as necessary.

I am copying this letter to the Private Secretaries to the Members of E Committee, the Secretaries of State for Scotland and Wales, the Minister of Transport and Sir Robert Armstrong.

*Yours ever,  
 Pete.*

PETER STREDDER  
 Private Secretary



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January 1980

Private Secretary to the  
Minister  
10 Downing Street  
London SW1A 2AA

I should be very grateful if you would pass on my  
regards to the Secretary of State for Industry and  
ask him to forward to me a copy of the report of the  
Committee of Enquiry into the Causes of the  
Collapse of the British Steel Corporation, which was  
published in 1978. I am sure that this report will  
be of great interest to me and my colleagues in the  
United States.

Private Secretary

14 JAN 1980  
11 21 1980



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Secretary of State

cc All Ministers  
 Secretary  
 Mr Berman, Dep Sec  
 Mr Bullock, Dep Sec  
 Mr Dearing, Dep Sec  
 Mr Liesner, Dep Sec  
 Mr Lippitt, Dep Sec  
 Miss Mueller, Dep Sec  
 Mr Gross, IS  
 Mr Lanchin, G  
 Mr Woodrow, Inf  
 Mr Clay, IS3  
 Mrs Cohen, IS1  
 Mr Long, IS4  
 Mr Neville-Jones, IP1  
 Mr Spencer, IS1A  
 Mr McMillan, IS1A

STEEL STRIKE

The Interdepartmental Contingency Group set up under my chairmanship as a result of the E Committee remit of 12 December met again this morning to consider the progress of the strike and what further contingency work would be appropriate. For as long as the strike continues the Group will report to Ministers on Tuesdays and Fridays, and in between as necessary.

2 Following the BSC Board meeting yesterday and Mr Sirs's challenge to the BSC (and the Government) to offer a payment on account against local productivity deals, fresh contacts are today being made in an attempt to resolve the dispute. Mr Murray was meeting Mr Scholey this morning to map out the lines of a possible settlement. He had also arranged to meet the General Secretaries of the five main unions involved later in the day. His idea, we think, is to get all five General Secretaries provisionally agreed on the outline of a settlement, with the leaders of the big general unions (whose non-steel members stand to suffer in a prolonged dispute) bringing pressure to bear on Mr Sirs, and to get Mr Sirs fully committed to the terms before he goes back to his negotiating committee.\* Mr Murray is prepared if necessary to attend the meeting with the latter himself. Mr Sirs has called a meeting of his Executive Committee (not identical with the negotiating committee, but closely related) for Monday 7 January. It is important that none of these moves should be mentioned publicly.

\* This evening Mr Murray and the five General Secretaries are meeting BSC. No news yet (1740) of progress.

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3 The BSC understand that any settlement has to be within the financing terms set by the Secretary of State for the Corporation, ie no increase in the cash limit and no financing by Government of operating losses.

4 In view of the Paymaster General's reported concern that the BSC should make more efforts to put its case across to the public, a meeting between the DoI Press Office and the BSC has been arranged for today. But in view of the current efforts by the BSC and the unions to settle the strike, the Group generally endorsed the view of the No. 10 Press Office that Ministers would be best advised not to go beyond their previous lines in public.

#### Effects of the Strike

5 There is little new to add to the picture set out in the Secretary of State's minute to the Prime Minister of 3 January. Steel production is at a standstill at all the BSC's works (as are deliveries from them), but is continuing at normal levels in private sector plants (though lorries have been stopped by pickets at two plants near Sheffield which are part-owned by BSC). Deliveries are continuing from private sector steel stockholders, and from some BSC-owned stockholders.

6 As regards the transport of steel, including imports, the Department of Transport has been in close touch with British Rail, the Ports and the Road Haulage industry. British Rail is relatively unimportant as a carrier of non-BSC steel. It is not yet clear what effect, if any, the rather loosely worded instructions from the NUR and ASLEF to their members is having, though there are some indications of a switch from rail to road movement of steel. The media attention on steel imports through Kings Lynn may have hastened the reported decision by dockers to unload but prevent the onward movement of steel imports there. Steel movements at other Ports seem so far to be affected very little. In relation to both the ports and the road haulage industry, it seems probable that the TGWU are reluctant to issue formal and specific instructions to their local branch membership. Their statements so far are essentially equivalent to a basic minimum level of public support for the ISTC. In consequence, if the national leadership maintain this position one can expect sympathetic action by TGWU members to be very patchy and localised. The overall picture that emerges is one of less dislocation so far to normal movements and production of steel, outside the BSC itself, than the initial media reports would suggest. *But the...*





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7 I have just heard that the British Transport Docks Board intend to stop the pay of dockers at Hull if they persist in refusing to load a cargo of steel pylons for Indonesia despatched by a private sector fabricator. Industrial relations in Hull are traditionally volatile.\*

Picketing and Other Secondary Action

8 Apart from the instances mentioned, picketing does not appear to have interfered significantly with the movement of non-BSC steel so far. The Group discussed possible responses to picketing, should this become a major problem in a prolonged dispute. Under existing laws

- (i) Chief Constables can intervene to prevent intimidation (normally interpreted as threats of violence: photography of lorries by ISTC members would not qualify), obstruction or possible breaches of peace;
- (ii) firms can seek an injunction from the Courts, against eg secondary picketing (bearing in mind the recent unhelpful House of Lords judgment);
- (iii) employers can discipline their own workforce who are in breach of contracts of employment (eg by refusing to handle cargoes), but at the risk of provoking more general industrial action;
- (iv) they can pray in aid the recently reissued TUC guidance on picketing.

These apply to all forms of picketing. They do not make any distinctions for secondary picketing. The main points are

- (i) pickets should wear armbands or badges (so that unauthorised pickets are readily recognisable);
- (ii) pickets should be disciplined and peaceful;
- (iii) an experienced member of the union (preferably an official) should be in charge;
- (iv) the size of the picket should be no larger than is necessary;
- (v) the pickets should be given instructions on what they may legally say (ie to avoid intimidation);
- (vi) if a union member crosses a picket line, sanctions should not be taken against him.

\*According to a still later report this action has been deferred, but obstruction of steel movement on Humberside is spreading.

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9 The changes in the law proposed in the Employment Bill would in due course provide firms with a civil remedy in some of the instances of secondary picketing which seemed likely to arise in the steel strike. But for the present, there seemed little the Government itself could usefully do; since little enthusiasm in support of the steelworkers had so far been shown by dockers and road transport drivers, an aggressive Government stance at this stage was likely to be counterproductive.

10 The Emergency Powers Act 1920 may be invoked only where events threaten to deprive a major part of the Community of the essentials of life, which is unlikely to occur in the case of a steel strike. The powers available under this Act are being reviewed separately by the Civil Contingencies Unit in connection with a more general review of contingency planning against strikes affecting essential services.

#### Use of Volunteers

11 Since it was clear that there was no scope for the use of volunteers to make steel in BSC the Department of Transport is producing a report on this subject in relation to transport for the Group's meeting on 8 January. The discussion today emphasised the importance of distinguishing between self-help by affected firms, and centrally organised activity, whether by industry (say the steel users at the CBI) or by Government itself. It also identified internal road transport and (possibly) road transport away from the Ports (assuming dockers continued to unload) as the two areas where the practical difficulties might be overcome. The fact remains that any central action would be highly provocative and put at risk any continuing movement of steel through normal channels; and would have to be on a very substantial scale to shift enough tonnage to offset what would be lost. The Department of Transport report will also cover the possibility of using non-conventional landing facilities away from normal ports.

P W Ridley  
Dep Sec  
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4 January 1980