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PRIME MINISTER

1 I understand that you have asked for a note for the meeting of E on 15 January on the effect the picketing provisions in the Employment Bill and my proposals for changing the law on immunities would have in the circumstances of the current steel dispute. I attach a note prepared by my officials.

2 As you know I feel very strongly that our decisions on changes in the law on immunities should not turn on their relevance to a particular dispute but must take account of long term industrial relations needs and practicalities.

3 I am sending copies of this minute and note to E Committee colleagues, the Lord Chancellor, the Attorney General the Solicitor General and Sir Robert Armstrong.

J P

14 January 1980

## THE STEEL STRIKE AND THE LAW ON SECONDARY PICKETING AND IMMUNITIES

### Industrial Action in the Steel Dispute

1. In addition to the strike of BSC employees there have been 2 main types of action:

(1) "Secondary Picketing" at stockholders, steel processors, engineering "users" and private steel producers: movement of goods has been restricted by the pickets and the reluctance of people to cross picket lines.

(2) Blacking of imported steel, mainly at East Coast ports: it is not entirely clear who is responsible for this but dockers have given assurances that goods will be unloaded but not moved. Steel movements have virtually halted and the Department of Transport suggest this is due to action by dockers and railmen. Lorry drivers seem willing to move steel so long as there is someone to load it.

### The Effect of the Picketing Provisions in the Employment Bill

2. The Employment Bill will make it unlawful for a person to induce breaches of contracts of employment or commercial contracts by picketing other than at their own place of work. This means that if employees of BSC picketed the docks, at private steel producers or at suppliers and customers of BSC, and if in the course of that picketing they persuaded employees at those places not to go into work or interrupted the supply and movements of goods, the employers so affected would be able to seek an injunction in the High Court to restrain the pickets.

3. Hence picketing by BSC employees other than at their own place of work - and all forms of flying pickets - would not attract immunity.

### Other Secondary Action and the proposed changes in the law on immunities

4. Under the proposals in E(80)1 other forms of secondary action (ie blacking, blockading and sympathetic strikes) would not attract immunity unless they were undertaken at first customers or suppliers of BSC "in contemplation

or furtherance" of the dispute between BSC and its workers. In other words, only the employees of employers who have a direct contractual relationship with BSC would be able to take secondary action with immunity. This would mean, for example, that in the case of BSC products held at stockholders (assuming these have contracts with BSC) immunity would apply to any action by employees of the stockholder but not to action by employees of the transport company hired by the stockholder or the receiving company.

Similarly blackings by dockers or railwaymen would attract immunity only if their employers had a contract with BSC: on the basis of current contractual relationships this is more likely in the case of British Rail than of dock employers.