

E(79) 11th Meeting

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CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

MINUTES of a Meeting held at  
10 Downing Street on  
TUESDAY 16 OCTOBER 1979 at 2.30 pm

PRESENT

The Rt Hon Margaret Thatcher MP  
Prime Minister

The Rt Hon William Whitelaw MP  
Secretary of State for the  
Home Department

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer

The Rt Hon Sir Keith Joseph MP  
Secretary of State for Industry

The Rt Hon James Prior MP  
Secretary of State for Employment

The Rt Hon Michael Heseltine MP  
Secretary of State for the  
Environment

The Rt Hon John Nott MP  
Secretary of State for Trade

The Rt Hon John Biffen MP  
Chief Secretary, Treasury

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon George Younger MP  
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP  
Secretary of State for  
Social Services

The Rt Hon Norman Fowler MP  
Minister of Transport

Lord Strathcona  
Minister of State  
Ministry of Defence

Mr Hugh Rossi MP  
Minister of State  
Northern Ireland Office

Mr Michael Roberts MP  
Parliamentary Under-Secretary  
of State, Welsh Office

Sir Kenneth Berrill  
Head of Central Policy Review Staff

SECRETARIAT

Sir John Hunt  
Mr P Le Cheminant  
Mr G D Miles

CONTENTS

Item No	Subject	Page
1	REVIEW OF CONTINGENCY PLANNING	1
2	THREATENED RAIL STRIKE	4

1. REVIEW OF CONTINGENCY PLANNING

The Committee had before them a note by the Home Secretary (E(79) 48) covering a review of the Government's civil contingency plans prepared by the Civil Contingencies Unit (CCU).

THE HOME SECRETARY said that the CCU was concerned with the maintenance of supplies and services essential to the life of the community, especially during industrial disputes, but it had no role in the settlement of disputes as such. Its work could minimise the worst effects of industrial disputes for a time at least but could not hope to maintain services at a normal level. The CCU was a co-ordinating body, and the responsibility for executive action lay with Departments. The paper summarised the existing plans, and requested a number of specific decisions which might make the plans more effective.

In discussion, the general trend towards the use of 'commando' tactics in strikes was noted. Unions were increasingly withdrawing the labour of a few key workers, and thereby disrupting the industry and service to the maximum extent, without imposing significant costs on themselves or on other workers. The legal position with regard to laying-off of workers for whom there was no work as a result of industrial action, was being examined in respect of the Civil Service by the Ministerial Sub-Committee on Industrial Relations in the Civil Service (ECS) under the Chairmanship of the Lord President of the Council. The problem was however a wider one, embracing the public services and nationalised industries generally, as well as parts of the private sector. The remit of ECS might be broadened on this particular issue, to look at the implications across the wider spectrum.

In further discussion it was noted that almost all the plans relied upon the continued working of the supervisory staff, and that even then the endurance time for maintaining a tolerable level of service was usually only a matter of weeks. Yet experience with recent strikes showed that

individual strikers were able, perhaps as a result of easier credit, to withstand long periods without pay. This was another example of the existing imbalance between the powers of unions and employers.

In discussion of the use of volunteers in industrial disputes, it was argued that the Government should be seen to encourage the use of volunteers, since this would also encourage the moderate unionist, or the individual firm in industries such as road transport, to stand up to the pressures of the militants. Many people had already shown their willingness to volunteer for public duty eg in the Territorial Army, the Special Constabulary, and the Auxiliary Coastguard and many others served in purely voluntary bodies like the WRVS. This suggested that a considerable voluntary effort could be tapped in the event of industrial action, though not necessarily within the ambit of the volunteer services themselves.

In continued discussion it was noted that present stocks of coal at power stations were relatively low, and, perhaps more troublesome, were unevenly distributed geographically. There had recently been a policy of burning more coal, in view of the oil shortage earlier in the year. It might now be time to reverse that policy, and to give more weight to oil burning to conserve coal stocks, though it had to be recognised that this would only have a small effect on the endurance period of electricity supplies if there were to be an all-out strike in the coal industry. In the longer term it was possible, and indeed desirable, that the nation's dependence on coal would be reduced by the building of new nuclear power stations but any significant help from this source was many years away. Coal supplies to power stations were also vulnerable to interruptions in rail transport. In the short term, it would be desirable for plans to provide as far as was possible for the use of road transport in emergencies, including the possibility of using requisitioned vehicles, and Service drivers. It was also important that the stockpile of ancillary materials necessary for coal-burning should be maintained at a level with an endurance time equal to or longer than the level of coal stocks. In spite of experience in earlier strikes the paper showed that stocks of these ancillary items were short in some areas.

Finally, the Committee discussed the use of food stockpiles for civil emergencies. It was noted that the cost of replenishing the stockpiles might be higher than the price that could be obtained for the sale of food from the stockpile, since this would have been in store for a long period. Nevertheless it was felt desirable that the stockpiles should be available, and consideration should be given to the use of the EEC food stocks which were located in the United Kingdom.

THE PRIME MINISTER, summing up the discussion, said that the Committee had noted the plans for contingency action contained in the report. They were agreed that food stockpiles should be used where appropriate, and the <sup>Parliamentary</sup> <sup>Minister</sup> of <sup>Home</sup> and <sup>Food</sup> ~~Secretary of State for Agriculture~~ should consider how far EEC food stocks in the United Kingdom could be of help in United Kingdom contingency planning. The Committee were agreed that external consultations should be undertaken where necessary, on the authority of the sponsor Minister concerned. Plans for the use of the Services could in principle include the use of civilian vehicles and equipment, subject to collective Ministerial discussion in CCU before any of these plans were implemented. The Committee would like to see more attention paid to the possible use of volunteers, and the Home Secretary should arrange for this aspect to be studied further by the CCU, and should bring proposals to the Committee in due course. This study should cover both the areas in which volunteer effort might be used, and the procedures by which volunteer effort could be mobilised in the event of an emergency. The Home Secretary should also consider whether there was scope for greater use of the Civil Defence organisation. The Home Secretary should consider further, in consultation with the Attorney General, whether any changes in the Emergency Powers Act were desirable as the Party when in opposition had identified certain apparent deficiencies in them. The Ministerial Sub-Committee on Industrial Relations in the Civil Service should examine the question of laying-off of staff in the context of the public services generally, and not merely the Civil Service. Finally the Committee were agreed on the importance of better handling of the publicity regarding the Government's stance in relation to industrial disputes. The Paymaster General should prepare a contingency plan for establishing a central press unit for use in emergencies, and should bring his proposals to the Committee.

The Committee -

Took note, with approval, of the summing up of their discussion by the Prime Minister and invited Ministers concerned to be guided accordingly.

## 2. THREATENED RAIL STRIKE

THE MINISTER OF TRANSPORT said that the railway unions were threatening a 24-hour strike starting at 2.00 pm on Wednesday 17 October, because of a dispute about the manning of a Parcels Depot at Paddington. If the strike went ahead he proposed to issue a short statement making it clear that the Government was not involved in the handling of the dispute itself, but deplored the disruption and hardship to rail users which it would cause.

THE PRIME MINISTER, summing up a brief discussion, said that the Committee had noted, and endorsed, the steps which the Minister of Transport proposed. He should keep the situation under review and report to colleagues as necessary.

The Committee -

Took note, with approval, of the summing up of their discussion by the Prime Minister and invited the Minister of Transport to be guided accordingly.

Cabinet Office

18 October 1979