



DEPARTMENT OF INDUSTRY  
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PS/ *Secretary of State for Industry*

*M*  
15 February 1980

Tim Lankester Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
LONDON SW1

*P. Stredder*

*Dear Tim,*

*P*  
*15/2*

... I attach a copy of the 13th Report of the Interdepartmental Contingency Group on the Steel Strike.

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

*Yours ever,  
Pete*

PETER STREDDER  
Private Secretary

DEPARTMENT OF INDUSTRY

ASHDOWN HOUSE

123 VICTORIA STREET

LONDON, ENGLAND

TELEGRAMS: "INDUSTRIAL" AND "INDUSTRIAL DEPT"



10th January 1900

Dear Sir,  
I have the pleasure to acknowledge the receipt of your letter of the 7th inst. in relation to the proposed extension of the...  
Yours faithfully,  
[Signature]

I enclose a copy of the...  
Yours faithfully,  
[Signature]

I am sorry to hear that...  
Yours faithfully,  
[Signature]



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PS/Secretary of State

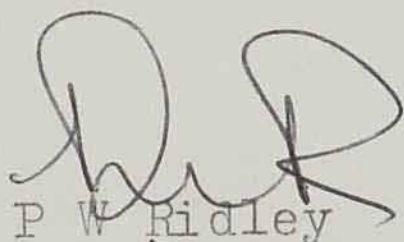
cc All Ministers

- Secretary
- Mr Berman, Dep Sec
- Mr Bullock, Dep Sec
- Mr Dearing, Dep Sec
- Mr Liesner, Dep Sec
- Mr Lippitt, Dep Sec
- Mr Manzie, Dep Sec
- Miss Mueller, Dep Sec
- Mr Atkinson, CSE
- Mr Bell, V
- Mr Clark, MEP
- Mr Dell, M
- Mr Farrow, Air
- Mr Gross, IS
- Mr Lanchin, G
- Mr Major, LA
- Mr Russell, SBP
- Mr Woodrow, Inf
- Mr Burbidge, IC3
- Mr Long, IS4
- Mrs Cohen, IS1
- Mr Murray, IS3
- Mr Neville-Jones, IPl
- Mr Spencer, IS1A
- Mr McMillan, IS1A

STEEL STRIKE : 13th REPORT OF  
INTERDEPARTMENTAL CONTINGENCY GROUP

...

I attach the Group's 13th Report which you will wish  
to circulate to other Ministers as usual.



P W Ridley  
Dep Sec  
717 Ash. 212-6797  
15 February 1980

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STEEL STRIKE : 13th REPORT OF THE  
INTERDEPARTMENTAL CONTINGENCY GROUP

This report summarises the position on 15 February.

BSC

2 The TGWU, GMWU and NCCC unions, whose negotiators had reached a provisional agreement on 10 February with BSC, have subsequently rejected this at delegate conferences. The TUC General Secretary is to discuss the position with these unions together with the ISTC and NUB and will be meeting ACAS afterwards. A meeting on Sunday between BSC, ISTC and NUB had been provisionally arranged to discuss the essential features of the provisional agreement with TGWU, GMWU and NCCC. However, in the light of its subsequent rejection by the unions it is not clear whether it will still take place. There is accordingly little sign of an early end to the strike.

3 In Wales the issue of pay threatens to become firmly linked with the redundancies as proposed by BSC. The South Wales district committee of the NUB are recommending that their members should stay out on strike over the proposed redundancies even if the pay issue is by then resolved. The threat of co-ordinated industrial action in Wales on 10 March has not receded (notwithstanding the Chancellor's letter to the TUC) and if it went ahead would focus attention further on redundancies, not only in steel but with effects also in the coal industry. The interest of the NUM in South Wales in the strike is being kept in play by their rejection of the NCB/BSC decisions on coking coal. The proposal for action on 10 March is also reported to be receiving support from the Welsh Labour Party. All this suggests the prospect of continuing industrial unrest in Wales, whatever happens on pay.

Private Sector Producers

1 4 Sheerness Steel is continuing to work normally. Both plants of Manchester Steel resumed work earlier this week and are making and delivering steel. A small GKN re-rolling and finishing plant at Stockport also resumed production and deliveries last Wednesday. Some production has also been achieved, but no deliveries, at the two Sheffield plants of Hadfield's despite exceptionally heavy picketing, which yesterday led to several arrests. But during the day ISTC workers at both plants resumed their strike action in the face of intimidation from pickets and the local strike committee.

5 The management at the GKN plant at Brymbo (N Wales) held a ballot yesterday amongst its workers, resulting in a majority in favour of resumption of work. Preparatory workers



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were called in with a view to a start-up later today. However, in the light of yesterday's experience of workers with picketing at Hadfields, the melting shop personnel in particular were reluctant to face similar problems and no resumption has taken place.

6 Private sector delegates of ISTC are due to meet on Monday, when further discussions will take place with the ISTC Executive about the continued involvement of private sector ISTC members in the dispute.

7 Private sector steel plants which carry out cold processing of steel and bar form for engineering uses and whose workers are not ISTC members, are continuing to produce and deliver to customers. This includes the West Midlands despite the renewed TGWU instructions to drivers not to cross picket lines. A few of the cold processing companies are getting well down on stocks of steel because the steelmaking plants, who normally supply them, remain at a standstill.

#### Steel Supplies

8 With only a very limited resumption of work in the private sector, supplies of engineering steels to users are at a much reduced level, and there are growing signs of shortages of special steels. But the production and deliveries of Sheerness and Manchester Steel are of particular importance to the sectors of the construction industry heavily dependent on reinforcing bars. The stockholders are maintaining good deliveries to users, although their stocks have a growing imbalance. Limited imports are continuing to arrive at stockholders and at end-users. A good deal of ingenuity is being applied in the procurement of steel by users, in its movement, and in sustaining production.

#### Movement of Steel

9 There is no change in the level of steel movements as compared with the early part of this week, either at the ports or elsewhere. It is becoming increasingly difficult to obtain a clear picture since contacts at the ports and road haulage companies are keeping a very low profile, for fear of repercussions during and after the strike if unusual methods of working became more widely known.

#### Effects on Steel Users

10 This week's survey by the Business Statistics Office shows that manufacturing production in week ending 9 February was 96% of normal (99% if BSC production loss is deducted), the same as in the previous week, and with the metal-using sectors only 1% lower than previously. 10% of companies in the survey are now being affected by the strike including suppliers to the steel industry. Estimates for this week are that the level

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of overall manufacturing production will be virtually unchanged, with a marginal further reduction in the metal-using sectors.

11 Concern amongst users about the effects of the strike on their operations has been expressed by only a very small number of companies, but there is some shorter-time working to eke out steel supplies. To some extent companies supplying the automotive sector are thought to be reducing production, not necessarily because of steel supplies alone, but in response to reduced demand for components from the car companies. The vehicle manufacturers, with limited exceptions for some commercial vehicles, now consider that on the basis of steel supplies and components they can maintain near-full production at least until the end of February. But in the case of Vauxhall, and particularly of Talbot, perhaps not much longer; and their output could then drop sharply. In the case of Ford, normal production should be possible well into March without undue difficulty.

12 In the shipbuilding sector Austin and Pickersgill are introducing a 3-day week for 2600 workers from 18 February. All other shipyards are working full-time, but in some cases, because new starts on vessels are not possible, workers are engaged on outfitting and maintenance work.

13 There are no new reports of imminent difficulties in any other user sector or region. In response to questioning, users in a number of sectors are now indicating the first half of March as the perhaps potentially critical time beyond which continued activity at the present level is in doubt; but the level of spontaneous complaint remains low.

Department of Industry  
15 February 1980