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*cc Mr Ingham*



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*Secretary of State for Industry*

*18* March 1980

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

*Peter Stredder*

*[Handwritten signature]*

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*Dear Tim,*

... I attach a copy of the 22nd Report of the Interdepartmental Contingency Group on the Steel Strike.

I am copying this to the private secretaries to 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



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STEEL STRIKE : 22nd REPORT OF THE INTERDEPARTMENTAL  
CONTINGENCY GROUP

This report summarises the position on 18 March.

BSC

2 The union representatives on the steel unions' joint industry committee are reporting back to meetings of their respective Executives about the latest position in negotiations with the Corporation. The committee, representing the 13 unions involved in the dispute, will meet tomorrow to co-ordinate its views. The Corporation remains ready to meet the unions again, possibly on Thursday, but in the absence of any positive move by the joint committee, BSC is very likely to go ahead with a further ballot of its workforce. In the meantime the Corporation is sending out a new broadsheet setting out the details of the agreements reached on the central and productivity aspects of a settlement.

3 Reports in the press over the weekend have suggested increased pressure amongst some of the unions to withdraw safety cover at the Corporation's blast furnace and coke oven plants. This would involve principally NUB members, with limited numbers from other unions. Despite threats, there has been no practical effect at the plants. BSC management have contingency plans in case such a withdrawal occurs, but there is no indication that this currently has any support from central union officials.

Private Steel Producers

4 All the private sector steelmaking and re-rolling companies are now producing and delivering steel again, Alpha Steel Ltd (Newport) having resumed full operation during the last few days. This is the sole private sector company making hot rolled wide strip in coiled form, and this production will be particularly valuable to companies in engineering and those engaged in further cold processing for general applications.

Steel Supplies and Transport

5 The private sector steel companies and the stockholders are maintaining good deliveries of steel over much of the product range. Shortages of steel remain in products in which BSC predominate, eg tinplate, heavy shapes for constructional purposes and plates used by process plant manufacturers and shipyards. Picketing continues in various parts of the country but is restricting steel movement only in some parts of South Wales. There is little overall change in the movement of steel by road, and in the flow of imports, except at the London private wharves, some East Coast ports and Newhaven, where the embargo on handling imported steel continues.

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-2-

6 Yesterday a West Midlands stockholder was granted an injunction against British Rail for the release of 500 tonnes of steel held in a British Rail yard at Wolverhampton by sympathetic industrial action by the NUR. Early reports today suggest that a determined effort is being mounted by pickets to prevent the steel reaching the stockholders' premises. It is reported that 20,000 tonnes of steel are held at British Rail yards in Wolverhampton and Brierley Hill. If this material were to be released and moved to customers it would be a considerable help to private sector steel re-rolling companies whose stocks of semi-manufactured raw material are severely depleted.

#### Effects on Industry

7 There are no reports of significant changes in the stocks of steel at steel users or in their potential endurance. The CBI have indicated privately that whilst 20% of the 60 companies in their sample survey remain affected by the strike, overall production is being maintained at 95-96% of what it would have been in the absence of a dispute, though there are some companies within the sample with production running much lower than this. This is broadly in line with the assessments from the Business Statistics Office survey which were given in the Group's last report (No 21 on 14 March). The CBI expect that failing an early resumption of work at BSC and assuming no substantial increase in the effectiveness of picketing, overall output will decline slowly over the next three weeks.

8 A limited number of layoffs are now in prospect in addition to those reported last week in shipbuilding, drop forgings, tinplate can production and food canners. These include Austin and Pickersgill (British Shipbuilders), where the 3,000 employees currently on short time will be laid off on 24 March because of shortage of BSC steel plate; 1700 people at International Harvester, Doncaster, which is running short of some tractor components, and 60 people at Henry Boot Railway Engineers Ltd, which like British Rail is being affected by the shortage of steel rails.

Department of Industry  
18 March 1980

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19 MAR 1980

12

