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STEEL STRIKE

NOTE of a Meeting held at 10 Downing Street
on FRIDAY 11 JANUARY 1980 at 3.00 pm

Present: Prime Minister
Secretary of State for Employment
Minister of State, Department of Industry (Mr Adam Butler)
Financial Secretary, Treasury
Mr D B Smith (Department of Employment)
Mr S J Gross (Department of Industry)
Sir Robert Armstrong } Cabinet Office
Mr P Mountfield }

THE MINISTER OF STATE, DEPARTMENT OF INDUSTRY, said that there had been little change in the situation since yesterday. The independent steel manufacturers were reported to be moving about 95 per cent of their normal output. Supplies from BSC-owned stockholders were stopped, but otherwise, steel supplies from stock yards were moving fairly well. Imports were slowing down, because supplies were not leaving countries of origin. Such supplies as came into the docks were still being unloaded and dispatched from the docks, but on the understanding that they were not allowed to go further than stockholders (thus protecting the earnings of the dockers). There was a particular problem at the BL plant Llanelli, where BL workers were refusing to move sheet steel from their own stock yard to the press shops. Reports from the police suggested that picketing was generally better-tempered than before, though there had been particular problems at Sheffield. The road haulage industry seemed to be moving supplies without too much difficulty, though they were understandably reluctant to explain how this was done. BSC were making arrangements to publicise details of their pay offer in the local press, but were not yet planning to circularise individual steel workers. The Secretary of State for Industry would be making a statement in the House of Commons the following Monday. Attitudes on both sides had hardened. Sir Charles Villiers seemed prepared to stick out a long strike, and Mr Bill Sirs likewise seemed to be digging in. Each was waiting for the other to move first. The ISTC would be meeting the following Tuesday to consider an extension of the strike to the private sector of the steel industry, but it seemed unlikely that they would so decide. The TUC had suggested further talks with the Government and the BSC about the closure proposals, and this would help to avoid - or at least postpone - the threatened further strike of coal and steel workers in South Wales.

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In discussion, a number of further points were made -

i. ACAS was seeking the various parties to the dispute separately, and this would take until the following Wednesday to complete. Although the ISTC and the NUB were prepared to negotiate jointly, the other unions had broken ranks and were seeing ACAS separately. However, the TUC Joint Steel Industry Committee remained in being and would be reactivated if there were a revised offer from BSC.

ii. There was at present no sign of a move on either side. The position remained that the two sides were close together on quantum, but very far apart on conditions. Given that the Government was not prepared to make any more public finance available, the best hope of a solution lay in some re-arrangement of the existing BSC offer, provided that the unions could be brought to accept some further commitment on productivity. It was possible that the informal discussions at ACAS would indicate the scope for such a new move.

iii. Meanwhile, pressure on individual strikers would mount as families ran short of cash; but at the same time, their determination to resist might be strengthened in those areas where jobs were at risk.

THE PRIME MINISTER, summing up the discussion, said that the Group took note of the latest information available. Ministers would meet again to review the position early the following week.

Cabinet Office
14 January 1980

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