



DEPARTMENT OF INDUSTRY
 ASHDOWN HOUSE
 123 VICTORIA STREET
 LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
 SWITCHBOARD 01-212 7676

Secretary of State for Industry

9 April 1980

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

Dear Tim,

... I attach a copy of the Final Report of the Interdepartmental Contingency Group on the Steel Strike. Steel supplies seem to be returning to normal, so the Group has been wound up.

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

THE UNIVERSITY OF CHICAGO
ASTOR LENOX TILDEN
LIBRARY
540 EAST 57TH STREET
CHICAGO, ILL. 60637



1104
1980



CONFIDENTIAL

STEEL STRIKE : FINAL REPORT OF THE INTERDEPARTMENTAL
CONTINGENCY GROUP

This report summarises the position on 9 April.

BSC

2 Employees of all the Corporation's plants are now back at work. Present indications are that throughout the Corporation good progress is being made in bringing plant back into production according to plan, and in some cases at a faster rate than anticipated. After some initial outbreaks of militancy, reported in the media, morale seems unexpectedly high. It will take some time for full production and deliveries to be achieved, but the majority of plants have already resumed deliveries of finished steel from material produced before the strike began.

3 The Corporation expects that most of its re-rolling mills and finishing plants will be up to good levels of production within the next 7 - 10 days, working from good stocks of semi-manufactured steel.

4 The recovery of steelmaking and the primary rolling operations to replenish working stocks for re-rolling and finishing plants will vary widely between the works. Where steel is made by the electric arc process plants are already making steel and should reach good production levels over the next 7 days. This will particularly assist supplies of steels for engineering, drop forgings (eg components) and semi-manufactured steel used by the private sector re-rolling plants.

5 The recovery period for the larger integrated works which have coke-making, blast furnaces for iron-making and oxygen steelmaking will be longer, needing at least 3 - 4 weeks to achieve a balance of production between different parts of the plant. Full production can only be expected from about 6 weeks after the start-up which is now in its early stages. The products most affected by this longer-time scale are sheet steel (eg automotive sector and tinplate), and deliveries to users will depend heavily on present working stocks of material at various stages of the production process, and on finished steel available.

Ports

6 Following the settlement of the strike at the port of Liverpool the movement of steel from the ports is returning to normal. Unrest over closures still exists at the London docks, and if translated into industrial action this would affect steel movements. The freeing of stocks held in storage at the docks and elsewhere will be particularly helpful to users to whom the Corporation cannot immediately resume delivery.

CONFIDENTIAL



Steel Supplies and Transport

7 Inland transport of steel by rail and road is also for the most part returning to normal. In the case of road transport there are some reports of individual road hauliers having been blacklisted by steel union officials. The BSC is discussing these situations locally and avoiding confrontations, whilst ensuring deliveries of products by alternative transport. Departments of Employment and Transport will be keeping in touch with the situation and reporting as necessary.

Effects on Industry

8 The final survey of the Business Statistics Office, carried out just before the strike ended, estimated that in the last two weeks of the strike, overall manufacturing production remained at 95% of what it would have been in the absence of the dispute (just over 97% if BSC production loss is deducted). Home and export deliveries were again between 95 and 96% of what they would otherwise have been.

9 Full recovery of production will take a few weeks in the case of tinplate can producers and some of the canned food producers. Supplies of tinplate from the Corporation and rebuilding of working stocks at each stage of the production chain will depend heavily on two of the Corporation's integrated plants (see paragraph 5 above) ie Llanwern and Port Talbot. Metal Box, the major tinplate can producer, is recalling many of its 7,000 workers laid off due to the strike and hope that the imports they have already arranged will make good any shortfall in BSC supplies.

10 In the automotive sector, British Leyland have estimated that commercial vehicle production will continue to be limited by shortages of components eg springs for up to **3 weeks**, depending upon the stock and supply position at the BSC plants concerned. At Vauxhall some workers on commercial vehicles assembly are expected to remain on a 3-day week until full resumption of steel and component supplies by the end of April.