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PS *Secretary of State for Industry*

25 January 1980

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

Prime Minister

Dear Tim,

*The steel supplies picture
is rather more cheerful than
before.*

*AKH
25: 80*

... I attach a copy of the 7th report of the
Interdepartmental Contingency Group on the
Steel Strike.

I am copying this letter 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



7th REPORT OF INTERDEPARTMENTAL CONTINGENCY GROUP

This Report summarises the position on 25 January.

Industrial Relations

2 The prospects for ending the strike seem again to have receded. Private meetings between BSC and the ISTC and NUB have failed to break the deadlock. However, the Corporation are to resume negotiations with the TGWU, GMW and NCCC unions collectively on Sunday 27 January. A successful conclusion ought to put the two steel unions under pressure.

3 The ISTC confirmed yesterday their decision to extend strike action to the private sector steel producers from this weekend, and it still seems probable that most ISTC members will feel obliged to follow the instruction. The effect of this would be to severely curtail the main private sector steel production activities.

3 Sixteen firms in the private sector, led by BISPA, have today sought an injunction requiring Mr Sirs and other ISTC members to "withdraw their politically-motivated strike call and their inducement to other parties to interfere with private producers' operations." If today's hearing does not grant an injunction, the companies are likely to appeal. It would remain to be seen how far union members on the ground would accept the results of any judgment in BISPA's favour.

4 The wider one-day strike organised by the Wales TUC in protest against the BSC's demanning plans will go ahead on Monday 28 January and the threat remains of a longer stoppage starting on (but not, it seems, before) 10 March.

Steel Supplies

5 The general picture appears slightly brighter than had been forecast earlier this month. Whereas at the start of the strike there were signs that some steel-users might begin to get into difficulties within a month, it now looks as if many firms will be able to get through most of February without serious effects, though with one or two important exceptions. This assessment reflects the fact that picketing seems to have had limited practical effect and that many supplies continue to cross the picket lines, in particular from stockholders. There are some signs that picketing may be getting perfunctory. Evidence from the CBI supports the view that steel supplies and users' production is holding up well, and that most companies have stocks on the premises to sustain continued production for 3-5 weeks.



6 One example of a slightly improved position is at BL, who are now likely to be able to continue full production of cars until mid-February and commercial vehicles until late February. Metal Box has now managed to make some deliveries from their Neath factory to other tinplate can producing plants in the Group, which is now expected to produce at 65% of normal this week, compared with the earlier forecast of 50%. There continues to be no immediate cause for concern over stocks of tinned food.

7 The survey by the Business Statistics Office shows that industrial production was 97% of normal in the week ending 19 January and is likely to be 96% this week; when account is taken of the effect on the national picture of BSC's non-production, this implies near-normal economic activity.

Public Attitudes to the Strike

8 This remains very difficult to gauge. The CBI has indicated that it remains keen that the Government should not intervene. There is less coverage of the strike in the media. The BSC is finding it difficult to assess the attitude of any significant groundswell of anti-strike opinion developing, even in particular localities. BSC consider that if this were the case they would have been picking this up through local management contacts in the community.

Department of Industry
25 January 1980