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NOTE OF MEETING held at  
10 Downing Street at 10 am on  
MONDAY 11 FEBRUARY 1980

*cc: Master Set*

STEEL

Present: Prime Minister  
Secretary of State for Employment  
Mr D Smith - Department of Employment  
Chief Secretary, Treasury  
Mr N Monck - Treasury  
Minister of State, Department of Industry  
(Mr Butler)  
Mr S Gross - Department of Industry  
Mr C Whitmore - 10 Downing Street  
Mr D Wolfson - 10 Downing Street  
Mr B Ingham - 10 Downing Street  
Mr T P Lankester - 10 Downing Street  
Sir Robert Armstrong - Cabinet Office  
Mr P Le Cheminant - Cabinet Office  
Mr A S D Whybrow - Cabinet Office

1. The Meeting discussed the situation in the steel dispute.
2. The following points were made -
  - a. The craft unions had settled with BSC for 14 per cent, including 4 per cent conditional on the agreement of local productivity deals within three months of the signature of the main agreement. It was expected that this agreement would be endorsed by the executives and the members of the unions concerned.
  - b. It was thought that the craft unions would not have reached agreement with the BSC unless they had believed that they were hearing BSC's "final" offer, ie an offer which would not be bettered by BSC's final offer to the ISTC and the Blast Furnacemen. It was, however, possible that there was some secret understanding that, if in the event BSC did make a better offer to the ISTC and the Blast Furnacemen, there would be a parallel improvement in the offer to the craft unions. This view was strengthened by the fact that the two sides had originally agreed not to publish the terms of their agreement for forty eight hours, which could have left time for further negotiations with the ISTC and the Blast Furnacemen. The terms seemed to have been revealed gradually under questioning from the press.

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c. The situation on the ground was relatively quiet. Private steel works were being picketed, but at Hadfields, the pickets had arrived only after the workforce had gone in.

d. The settlement with the craft unions opened the prospect that their members would shortly be returning to work on full pay. This would increase the pressure on Mr Sirs from his own members to reach a settlement. The strikers were already passed the point where their financial losses from the strike must significantly exceed their prospective gains.

e. It would be desirable for BSC to write direct to its employees in the ISTC and the Blast Furnacemen's union, setting out the terms of the offer which their representatives had rejected. But the timing of such a move would need to be carefully considered. There was also the difficulty that in some, though not all areas, the addresses of employees were held in computers to which access was being refused by members of the ISTC clerical section. Action by management to "unlock" the computers might mean the loss of emergency cover.

g. The handling of BSC's publicity had been noticeably poor.

h. The delay by Mr Sirs and Mr H Smith in meeting ACAS when the strike had been going so long was difficult to understand or excuse. The Minister of State, Department of Industry (Mr Butler) was due to make a Parliamentary statement on the dispute in the afternoon, and ACAS could be expected to welcome any reference in that statement to the fact that they had offered their services to both sides last Friday and had pursued the matter with only limited success through the weekend.

i. There was now some pressure, for the establishment of a court of enquiry. This pressure seemed to have been inspired by the Leader of the Opposition, who was setting the scene for a motion of censure on the Government. It might be worth pointing out publicly that Mr Sirs had already refused four offers of arbitration in the dispute.

3. THE PRIME MINISTER, summing up the discussion, said that there was no immediate action for Ministers to take, except that the Minister of State, Department of Industry would be making a Parliamentary statement in the afternoon.

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The NCB's agreement over coking coal was welcome not only as a solution to a dispute between two nationalised industries, but particularly as a solution which involved no cost to the taxpayer. The Minister should ensure that this agreement was mentioned either in his statement or in response to questions afterwards. He should also make it clear that the offer which had been accepted by the craft unions included the same 4 per cent conditional on the agreement of local productivity deals which had been rejected by Mr Sirs.

13 February 1980

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