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29 January 1980

Tim Lankester Esq
Private Secretary to the Prime Minister
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Dear Tim

STEEL STRIKE: 8th REPORT OF
INTERDEPARTMENTAL CONTINGENCY GROUP

... I enclose a copy of the 8th Report.

I am copying this letter and enclosures to the private secretaries to the members of E, the Secretaries of State for Scotland and Wales, the Paymaster General, the Minister of Transport and to Sir Robert Armstrong.

Catherine Bell

CATHERINE BELL
Private Secretary

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STEEL STRIKE : 8th REPORT OF THE INTERDEPARTMENTAL CONTINGENCY GROUP

This report summarises the position on 29 January.

BSC

2 Negotiations between BSC and TGWU, GMW and NCCC unions on Sunday, 27 January made some useful progress on the productivity aspects of a new agreement, and a further meeting has been arranged for Friday, 1 February. Left to themselves, these unions might then settle on terms giving BSC a fair degree of productivity offset; but they are afraid of being upstaged by the separate negotiation of better terms by the ISTC and NUB. Despite strong efforts by the TUC General Secretary to have the two latter join in Friday's negotiations it seems all too likely that Mr Sirs's ovation in Wales yesterday and the prospect of victory over Lord Denning in the House of Lords will make him obstinate.

Private Sector

3 The House of Lords Judicial Committee will be considering on Thursday, 31 January the ISTC's request for allowing an appeal to the House of Lords against the Court of Appeal's ruling that the ISTC must withdraw its strike instruction to employees in the private sector. The timing of any hearing of the appeal by the Lords, if they decide to allow an appeal, is uncertain; it could be Friday or early next week.

4 The ISTC executive is meeting today, Tuesday 29 January, to decide what action to adopt in the light of the Court of Appeal's ruling. Even if they decide to withdraw their strike call for the time being - it is unclear what effect this will have in practice at the private sector plants. The fact that there is believed to be a strong chance of the Lords reversing the Appeal Court's decision may be used as an argument by those on the ground against calling off the strike for the time being.

Steel Supplies

Private Sector

5 Despite the extension of the strike into the private sector, a substantial proportion of private sector steel companies have remained open, although with some operations at a standstill. Generally speaking, operations largely staffed by ISTC members (such as melting and hot rolling) have been stopped, while other operations reliant on labour wholly or partly from other unions (such as cold rolling and finishing) are remaining open and are delivering steel. There is a wide variation between companies as to the effects of the strike action.



Stockholders and Imports

6 Picketing of stockholders continues, but good deliveries to customers are being maintained. In the ports, there are some signs that unions are examining further whether they can limit imports of steel passing through dock gates in containers.

Endurance of Steel Users

7 There is little evidence of any change from that indicated in earlier reports of potential endurance well into February before serious problems occur in particular user sectors. The CBI have indicated privately that during the last 2 weeks production levels in major companies have been less than 1% lower than normal. However, compared with a week ago, companies have reported somewhat reduced stocks on the ground and an increased number of companies expect to be significantly affected within four weeks from now. If serious disruption continues in the private sector this endurance could be reduced, but the extent has not been estimated in any detail.

Further Work of the Group

8 Work is continuing on the longer term effects of the strike and the post-strike recovery period and possible actions. This will be reported on separately.

Department of Industry
29 January 1980

I spoke to John Melton this evening.
He thinks ISTE members on the whole will
not obey the Executive's decision to call off the
private steel-workers strike. He is worried
that one or two producers may seek injunctions
against individual pickets/workers, and is doing
all he can to -2- persuade them not to take any
action pending a House of Lords
ruling. I said we fully agreed with
this line. T.L.