

CONFIDENTIAL

Ref. A01483

PRIME MINISTER

Cabinet: Industrial Affairs

The points which might be covered under this item on the agenda are:-

1. Water Industry

The Secretary of State for the Environment should be asked to report on latest state of play in the pay negotiations. As we understand it the employers informally put a 21.4 per cent offer to the unions on Monday (following the earlier rejection of 19.2 per cent). The unions are likely to give their reply at a full negotiating meeting on Thursday. Can Mr. Heseltine forecast what this is likely to be?

The Home Secretary might then be asked to report on contingency planning. He chaired a meeting of the Civil Contingencies Unit on Wednesday afternoon. The key point is whether he recommends that no further steps should be taken to activate contingency arrangements (including putting servicemen on notice) at this stage.

2. Steel

The Secretary of State for Industry should be asked to report on the latest position. You might also seek his and Mr. Whitelaw's views on the picketing at Sheerness on Wednesday.

3. British Leyland

You will no doubt want the Secretary of State for Industry to report on Wednesday's unexpectedly strong vote at Longbridge against strike action.

4. Gas

The Secretary of State for Energy might report on the GMWU rejection of their union negotiators' recommendation of the employers' 14 to 18 per cent offer. The next negotiating meeting is fixed for 28th February. It is not clear at this stage what further offer, if any, the employers will make. You might seek views on whether the gas situation is likely to complicate the water negotiations.

CONFIDENTIAL

m/
unions

Report
reference

CONFIDENTIAL

5. Port of London Authority

The Minister for Transport might report on the outcome of a meeting today (Wednesday) where the dock unions are to consider the employers' offer of 12 per cent or £12 (whichever is the greater for individual employees). Industrial action has intensified, with both the upper docks and Tilbury at a standstill.

6. Medical Laboratory Scientific Officers

Last week the Secretary of State for Social Services mentioned that there was industrial action in some hospitals over his decision to impose a settlement on some laboratory staff which had not been agreed by the unions. The Secretary of State for Scotland might be asked about the position in Scotland, where he also imposed a settlement. The dispute does not seem to be having a serious effect on hospitals' essential work so far.

CONCLUSIONS

2. I think that the only conclusions you will need to record relate to water, where you may want Cabinet:-

- (a) To agree Mr. Whitelaw's recommendations on contingency plans.
- (b) To agree that the Civil Contingencies Unit should continue to keep the situation under review.



(Robert Armstrong)

20th February, 1980

CONFIDENTIAL



20 FEB 1960

9 10 11 12 1 2 3 4 5 6 7 8