

*of Master Set*

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STEEL STRIKE

NOTE OF A MEETING HELD AT 10 DOWNING STREET AT 11.30AM ON 8 JANUARY 1980

PRESENT

PRIME MINISTER  
HOME SECRETARY  
SECRETARY OF STATE FOR EMPLOYMENT  
CHIEF SECRETARY, TREASURY  
PAYMASTER GENERAL  
MINISTER OF STATE, DEPARTMENT OF INDUSTRY (MR ADAM BUTLER)  
ATTORNEY GENERAL  
MR D B SMITH            Department of Employment  
MR S GROSS             Department of Industry  
MR N J MONCK          Treasury  
SIR ROBERT ARMSTRONG } Cabinet Office  
MR P MOUNTFIELD     }

The Meeting was called to review the situation in the light of the breakdown of negotiations the previous night between the British Steel Corporation (BSC) and the Trade Union Co-ordinating Committee for the Steel Industry.

The following points were made in discussion:

- (a) There was no prospect of an early resumption of negotiations. The union line appeared to have hardened during the talks.
- (b) The BSC had not handled the negotiations well; but they had made no attempt to blame the Government or to seek any extension of their present financial limits. Their public relations continued to be poor. They should be encouraged to put the facts clearly on record, notably the existing average level of pay in the industry and the size of the offer already made.
- (c) The Government should refrain from commenting directly on the breakdown. Comments should be confined to regret that the talks had broken down, and hope that they would be resumed quickly, in the light of the consequences for the industry and for the country.

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Ministers and Government spokesmen could also, with advantage, repeat any facts and figures which BSC might put on record about the size of the offer, the conditions attached to it, etc. It could be emphasised that the two sides were not very far apart on the percentage pay increase, but that the union's side were not prepared to give the undertakings on productivity which BSC regarded as essential.

(d) There would now have to be an interval before talks could be resumed, and it was not clear at present what new factor would bring the parties together. The Government could take no overt role during this period.

(e) It was too early to assess accurately the effect on the rest of British industry. The Department of Industry would need to keep in close touch with the CBI and with individual companies, notably British Leyland. Whilst stocks, both at manufacturers and at stockholders, were generally high, shortages would probably develop in particular supplies. Much would depend on the level of picketing.

(f) The union line on picketing seems to have hardened. It was receiving considerable press and television coverage. This might in due course have some effect on public attitudes to the strikers, which at present were generally sympathetic to the steel workers.

(g) The legal position on picketing has been changed by the House of Lords decision in the McShane case. The scope for picketing and blacking within the law had been greatly enlarged by this decision. The civil remedies available to employers directly or indirectly affected by the strike were correspondingly reduced.

(h) The McShane judgement did not affect the position in criminal law. Intimidation and obstruction remained offences. It was difficult for the police to deal with intimidation, unless it was visible, because victims were reluctant to report such cases and the police rarely had first-hand evidence of their own. It was rather easier for the police to deal with cases of obstruction. The

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Home Secretary had arranged for the Chief Constables in areas concerned to be reminded of the legal position, and to be kept informed of the position as it affected the police.

(i) It was for consideration whether the civil remedies available to employers should be strengthened by accelerating the proposed Amendments to the Industrial Relations Bill. Alternatively, the proposed Amendments could be included in a separate Bill which might be rushed through all its stages very quickly. It would, however, be difficult to complete such moves in time to effect the outcome of the present dispute and the consequences of trying to do so could be extremely serious for industrial relations. Mounting public opposition to excesses by pickets in the present dispute would, by contrast, help the Government secure support for its proposed legislation if this took its normal course.

(j) The financial position of strikers needed further study. Some but not all the unions engaged in the dispute would provide strike pay. Since many pay clerks were ISTC members and engaged in the dispute, it might be difficult for BSC to make the normal PAYE refunds to strikers. It would then be necessary for the BSC to pass the papers to the Inland Revenue, who could arrange for refunds to be made in due course. The entitlement of strikers' families to social security benefits in these circumstances would also need consideration.

(k) There would be mounting Parliamentary pressure for an early statement as soon as the House resumed, and for a Debate. The Secretary of State for Industry should make a statement on Monday 14 January; and, since an early debate could hardly be resisted, ~~it~~ would be wise for the Government to offer a day of Government time for an early Debate. The Government's line in such a debate would need more thought, but should probably be confined to a clear exposition of the facts of the dispute, emphasising the need for improved productivity and the threat continued action would pose to jobs in the steel industry.

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THE PRIME MINISTER, summing up the discussion, said that the Cabinet should consider the situation at its meeting on 10 January. The Attorney General should prepare a statement of the legal position on picketing following the McShane judgement which could be available to Cabinet then. The Secretary of State for Employment should be ready to explain his proposals for amendments to the Industrial Relations Bill in the light of that judgement. The Minister of State, Department of Industry, should arrange for the British Steel Corporation to make a clear statement about the offer, emphasising the levels of pay in the industry, the amounts on offer, and the conditions attached to the offer. Ministerial comments should so far as possible be related to these facts and figures provided by the BSC. Cabinet could consider further the need for a statement and a Debate the following week. The Home Secretary should arrange for reports from Chief Constables on the conduct of pickets. The Minister of State, Department of Industry, should arrange for his Department to obtain information on the effects of the strike on the rest of British industry. The Chief Secretary, Treasury, should arrange for a note to be prepared for her on the financial position of strikers, including their entitlement to PAYE refunds and to social security payments. No publicity should be given to the present series of Ministerial meetings about the steel strike, but if questioned, Government spokesmen could say that Ministers were keeping the situation under review.

9 January 1980

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