

Ref. A01359

PRIME MINISTER

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Cabinet: Industrial Affairs

HANDLING AND BACKGROUND

You might ask for brief reports on the following items:-

Steel (Sir Keith Joseph and Mr. Prior to report)

2. You are aware of the background.

*- Pilating*

British Leyland (Sir Keith Joseph to report)

3. This item arises from the AUEW decision, reported in today's evening newspapers, that Mr. Robinson was unfairly dismissed. I do not know what Sir Keith Joseph will be able to say about possible repercussions. //

Water (Mr. Heseltine to report)

4. The unions have agreed to recommend a settlement to their members, amounting to 13.2 per cent for the annual increase, plus 6 per cent from the comparability study with gas and electricity workers, plus a reduction of one hour in the working week from December 1980. The National Water Council believe that that "comparability" element is the lowest figure they could achieve in the light of past commitments. The local authority ~~m~~anuals who undertake sewerage work on an agency basis for water authorities will presumably be envious - but there is no sign yet of any action from them.

*Working week - 1 hr.*

Port of London (Mr. Fowler to report)

5. There has been no sign of industrial action yet as a result of the PLA's announcement that they may have to close one of the Upper Docks. But there have been reports of threats of industrial action from next Monday on a pay claim.

*12/0.*

Liverpool Hospitals (Mr. Jenkin to report, with comments on contingency aspects from Mr. Whitelaw)

6. The ancillary workers at the Royal Liverpool Hospital have objected to new rotas which should have been introduced on 4th February. There is an argument as to whether management have followed agreed dispute procedure or not. The Chairman of the Health Authority has requested Government

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"contingency assistance". The CCU at official level considered the case on Wednesday afternoon. It seems that ACAS are involved, and there is a fair chance that an amicable settlement can be reached. But if not CCU officials concluded that there were strong arguments against considering the use of troops at this early stage, and that all other avenues should be explored first.

British Shipbuilders (Sir Keith Joseph to report)

7. The BS management meet the unions next Tuesday to continue negotiations over pay. The cash limit is very tight, and the offer they are able to make may provoke an intense reaction.

CONCLUSION

8. Cabinet will wish to note the position on all these items.

RIA

ROBERT ARMSTRONG

6th February, 1980