



MT.

PRIME MINISTER

STEEL STRIKE

We are meeting this afternoon to consider this. As you know, ACAS are seeing both sides today but the chances of averting or postponing the strike remain very slight. A number of questions arise.

HOW TO HANDLE AFFAIRS AS THEY DEVELOP?

There are two aspects to this. One is to keep to a minimum the resulting disruption to industrial activity. On this, I propose that the group of officials, which I set up following our meeting in E Committee on 12 December, should continue to consider these matters with a natural increase in the intensity of their activities. We are setting up special enquiry points within this Department to cope with "distress" calls. BSC have set up their own Action group on this.

The second aspect concerns negotiations to end the dispute. We are, I believe, agreed that this must remain a matter for BSC and the Unions to hammer out between themselves with such help as may be forthcoming from third parties like ACAS or Mr Len Murray. Formal arrangements within Whitehall present an air of intervention. Therefore, I consider that our present informal contacts should continue and that we should set up no formal machinery to cover this aspect of the problem.

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HOW CAN GOVERNMENT GET ITS POSITION ON RECORD?

I believe it is important to get public opinion firmly on BSC's side. It might be worth setting up a specialised team to oversee the Government publicity activity and to monitor the response. We must continue to plug the line that more money is available for more productivity and that unions are seriously risking their own and each others jobs by this strike. We back BSC 100% in its efforts to reach viability through improved productivity and all round performance.

CAN ANYTHING MORE BE DONE?

I believe that we are already doing all we properly can. Mr Len Murray's intervention last weekend was helpful in opening the way for the meeting with the BSC Board on 24 December of the five General Secretaries of the Trade Unions directly involved. But Mr Murray is now reluctant to engage himself further and risk loss of credibility. I fear that events must now take their course. But we must meanwhile seek to avoid high wage settlements elsewhere in the public sector which are not paid for by performance, since these would inevitably be provocative to the steel unions and thereby exacerbate the dispute. Meanwhile it will be important for the Department of Employment and the Home Office through the police to monitor any picketing especially by interests not directly involved in the strike and the Home Secretary may wish to consider whether additional advice on picketing should be given to Chief Constables. Management's reaction to any blacking by rail unions will also need to be considered.



I am copying this minute to members of E Committee, to the Secretaries of State for Scotland and Wales and to Sir Robert Armstrong.

L. R. R. Pymmer General

KJ

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