

CONFIDENTIAL

For MISC 101 folder



DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET 5422

Telephone (Direct dialling) 01-215)

GTN 215)

(Switchboard) 215 7877

Secretary of State for Trade and Industry

6 July 1984

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Prime Minister
Pty, NCB can't draft as
well as this.

AT 6/7

Dear Andrew,

MINERS' STRIKE: BSC

My Secretary of State thought the Prime Minister and interested colleagues might like to see a copy of a letter that Mr Haslam, Chairman of the British Steel Corporation, has sent yesterday to all BSC employees about the Corporation's position on the miners' strike.

2 I am sending copies of this letter to the Private Secretaries of Members of MISC 101 and to Richard Hatfield.

Yours ever,
Ruth

RUTH THOMPSON
Private Secretary

CONFIDENTIAL

JH2ASP



BRITISH STEEL CORPORATION

ROBERT HASLAM
CHAIRMAN

4th July 1984

A personal letter to all British Steel employees.

OUR BUSINESS: STEEL JOBS IN DANGER

I am writing to you now because our industry is facing dangers of a kind we have not seen before and I want you to know what we are doing about them.

We are no strangers to the hazards of competition from abroad. That threat to our livelihood and continued existence is familiar. All the slimming and belt-tightening British Steel has been through in recent years has recognised that danger. What we have done to meet it has put us in fighting trim and given us a fair chance of winning through.

Now, as you know, our future is threatened from a new direction. Groups of people in this country, outside our industry and with whom we have no quarrel, are trying to interfere with our right to do business. These groups - the leadership of the miners' and railwaymen's unions - are misguided enough to believe that putting us out of business will speed up a solution to the miners' strike. They want to set minimum coal supplies for plant safety, but with no steel being made.

There is no doubt what we have to do.

WE HAVE to stay in business.

WE HAVE to keep our plants operating at levels to meet our customers' requirements.

WE HAVE to do our damndest to keep the order book which, through sacrifice and by improving our all-round efficiency we have won back - against the fiercest competition the world of steel has ever seen.

WE HAVE to protect our plants from costly and serious damage which could arise from restricted or halted production.

AND by insisting on our right to do these ordinary, unexceptional things, WE HAVE to keep striving to protect the jobs of the people who work in our industry, the people who have made our recovery progress possible.

Stopping steel production would be suicidal for us. It would immediately drive our customers (who have shown great loyalty to British Steel all through these present difficulties) into the arms of foreign steel producers. And foreign steelmakers, desperate for work, would insist on long-term contracts, tying British industry to them, possibly for years.

Arthur Scargill has promised that no foreign steel would be allowed into Britain while our plants were shut. Experience shows that promise could not be kept.

So we are determined to keep going, to meet our customers' requirements.

If you work at Llanwern, Ravenscraig or Scunthorpe, you will know that these plants have been virtually under siege at times. If you don't, you will have seen on TV the lorry convoys which have taken over the transport of essential raw materials such as coal, coke and iron ore. We have had to do that since the railmen, under pressure from their national leadership, broke local agreements and refused to deliver these materials to our works.

We are not using lorry convoys to be provocative. We are keeping our business going despite bare-faced and undisguised attempts to cripple us. The lorry convoys will go on rolling as long as they are necessary. And our employees in the beleaguered works are giving us their full support in this emergency.

Now the TUC Steel Committee have told the miners and railmen they will not join in a suicide pact in which British Steel would be the most likely corpse.

Arthur Scargill asks steelmen to repay the debt they owe for NUM support during the steel strike.

What debt?

During that stoppage

Coal went on being produced at the highest output levels for seven years - and production bonuses went on climbing.

A total of 75,000 tonnes of British Steel pit arches went into the mines from stock during these months in 1980.

Calls for sympathy action in the coalfields were rejected overwhelmingly.

No miners lost their jobs.

No pits closed.

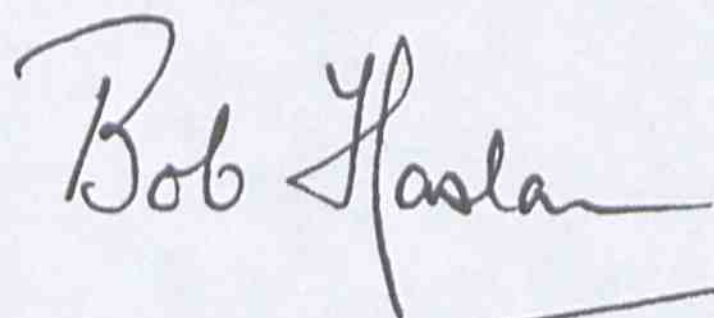
There is no debt to repay - least of all in the jobs and future of steel.

Your management are determined to maintain the emergency lifeline taking raw materials into our works, for as long as necessary.

Your support is one of the main elements in our recovery so far. During the present dangers facing our industry, it has encouraged me greatly.

As I said at the outset, I want to make sure you are fully informed about the situation and what we are doing about it. With your continued support, we are determined to keep British Steel in business.

Yours sincerely



Bob Haslam