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PRIME MINISTER

MISC 101(84)32nd Meeting: Hunterston

The meeting has been called to discuss arrangements being contemplated by the British Steel Corporation (BSC) for the docking and unloading at Hunterston of the bulk carrier "Ostia", presently moored in Belfast Lough with coal for Ravenscraig.

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2. The arrangements being contemplated, and their implications, are described at paragraphs 3-4 of the Secretary of State for Trade and Industry's letter of 6 August. The Secretary of State for Trade and Industry should be able to report further at the meeting on what BSC plan to do: a meeting is to take place on the morning of 8 August between the Corporation, the Transport and General Workers' Union (T&GWU) and the port authorities.

MAIN ISSUES

3. Subject to further developments at the local meeting in the morning, the main issues are:

i. What would be the implication of docking and unloading the "Ostia" without the help of T&GWU tugmen, boatmen and trimmers?

ii. Would best advantage be gained by:

a. docking and unloading now without the T&GWU;

b. seeking to delay a decision;

c. not pressing the point with the T&GWU?


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Implications of unloading

4. Given the consequences for Ravenscraig, the BSC would be understandably reluctant to give up any attempt to bring in the "Ostia" without any further serious efforts to do so. On the other hand, the consequences of a national dock strike are clearly understood by the Group and would be most unwelcome. The Group will wish to consider:

- i. the latest intentions of the BSC, as given by the Secretary of State for Trade and Industry in the light of the local meeting which will have taken place in the morning;
- ii. how far, bearing in mind that the current intention of BSC is not only to unload, but also to dock the ship without normal T&GWU participation, is it likely that a dispute over the action contemplated in the Secretary of State's letter could be prevented from escalating and dealt with "carefully, with full use of the consultative procedures starting at local level" (paragraph 4);
- iii. what degree of risk exists that unloading on the basis currently proposed by the BSC could lead to a sustained national dock strike?

Timing

5. The Secretary of State for Trade and Industry says in paragraph 2 of his letter that if the cargo of the "Ostia" is not landed tomorrow, BSC have no option but to begin to run down Ravenscraig from 20 August. The Group will want to know how and why this second date follows from the first; and what scope, if any, exists for delaying an attempt to berth the ship without T&GWU cooperation. Such delay might perhaps open up the possibility of delaying irrevocable action on the "Ostia" while the prospect of an eventual shutdown at Ravenscraig generated pressure on the T&GWU from the steel unions to allow the ship to land its cargo in

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the normal way. How long could unloading be delayed without irrevocable effects on the viability of Ravenscraig?

Further action

6. The Secretary of State says that the BSC would be prepared to seek an injunction against the T&GWU if they were not prepared to abide by normal consultation procedures to settle a dispute arising from the berthing of the ship. What is the latest thinking of the BSC on this, following the morning's meeting? Taking account of any views which the Secretary of State for Employment and the Solicitor General may have on the legal and technical aspects of such a move, does the Group think it advisable on grounds of tactics and policy?

HANDLING

7. You will want to ask the Secretary of State for Trade and Industry to report on the morning's meeting at Hunterston. The Secretary of State for Scotland may have further points to make, particularly about the mood of the steel and docks workforces involved. The Secretary of State for Transport will have views on whether the course currently proposed by the BSC would be likely to lead to industrial action; and how widespread it would be. The Solicitor General should be given the opportunity to comment on any legal action contemplated by BSC. The Secretary of State for Energy will have views on the implications for the miners' strike; the Secretary of State for Employment will also wish to comment, particularly if legal action under employment legislation is under consideration. The Chief Secretary, Treasury may wish to comment both generally, and on the effect of further strike action in the docks on confidence and financial markets.

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CONCLUSIONS

8. The Group will wish to invite the Secretary of State for Trade and Industry to discuss next steps with the Chairman of BSC in the light of views expressed at the meeting; and to report further. On the basis of what is currently known about the BSC's intentions, it is likely that the Group will wish to register its views on:

- i. the likely effect of proceeding with berthing and unloading the "Ostia" without T&GWU cooperation; and
- ii. the tactical options, including:
 - a. the scope for, and any likely tactical advantage from delaying the berthing and unloading; and
 - b. any possible role for the civil law.

9. If it appears that the BSC will proceed to unload the "Ostia" without T&GWU cooperation, it might be a good idea to make provisional arrangements for a further meeting, perhaps at the beginning of next week, with the Lord President of the Council in the Chair. If no immediate action is likely, you will wish to invite the Secretary of State for Trade and Industry to keep the Group informed by correspondence, consulting the Secretaries of State for Transport, Energy, Employment, the Chancellor of the Exchequer and the Law Officers as appropriate on issues of substance which may arise.

M.S.B.

M S BUCKLEY

Cabinet Office
7 August 1984